

Appellant §
vs. § 10-03269
King Louie Mining, LLC, et al §
Appellee §

148 Judgment revoking discharge of debtor Entered 7/8/14
VOLUME 8
APPELLANT RECORD

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

IN RE: § CASE NO. 09-38820-SGJ-7
§
CENGIZ J. COMU, § CHAPTER 7
§
DEBTOR. §

KING LOUIE MINING, LLC, §
KING LOUIE ENTERPRISES, LLC, AND §
RONALD KATZ, §
Plaintiffs, §
v. § ADV. NO. 10-03269-sgj
§
CENGIZ J. COMU a/k/a CJ COMU, §
Defendant. §

DIANE G. REED, TRUSTEE, §
Intervenor, Co-plaintiff and §
Third-party Plaintiff, §
v. §
CENGIZ J. COMU, §
Defendant, §
and §
PHYLLIS E. COMU, §
BERNARD D. BROWN, §
THE BARCLAY GROUP, INC. AND §
SUNSET PACIFIC, L.P., §
Third-party Defendants. §

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**APPELLANT'S FIRST AMENDED DESIGNATION OF RECORD
AND ISSUES ON APPEAL**

TO THE HONORABLE JUDGE OF SAID COURT:

NOW COMES Cengiz J. Comu, Appellant, and files this his First Amended Designation of Record and Issues on Appeal for the Judgment entered July 8, 2014 [Document No. 148] as follows:

I. Appellant designates the following documents from the docket sheet in Adversary Case No. 10-03269 for the Record on Appeal:

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Filing Date	#	Docket Text
08/27/2014	164	Notice of appeal . Fee Amount \$298 filed by Defendant Cengiz J. Comu (RE: related document(s) <u>148</u> Judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Related document(s) <u>20</u> Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, <u>53</u> Intervenor complaint filed by Intervenor-Plaintiff Diane G. Reed)). Appellant Designation due by 9/10/2014. (Morales, D.)
07/08/2014	148	Judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Related document(s) <u>20</u> Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, <u>53</u> Intervenor complaint filed by Intervenor-Plaintiff Diane G. Reed) (Rielly, Bill).
07/08/2014	147	Findings of fact and conclusions of law in support of judgment: (A) Revoking discharge of debtor, pursuant to 11 U.S.C. 727(d); (B) Declaring certain property to be "Property of the Estate"; (C) Requiring turnover of certain property to the trustee; (D) Awarding monetary damages to trustee for the benefit of the estate; and (E) Separately awarding reasonable attorney's fees and expenses to plaintiffs Entered on 7/8/2014. (Rielly, Bill)
09/09/2014		Docket Sheet
10/07/2010	5	Motion to dismiss adversary proceeding <i>Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6)</i> filed by Defendant Cengiz J. Comu (Olson, Dennis)
11/08/2010	8	Motion for leave to <i>Amend</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/29/2010. (Attachments: <u>1</u> First Amended Complaint <u>2</u> Exhibit A <u>3</u> Exhibit B <u>4</u> Exhibit C) (Lippe, Emil)
11/08/2010	9	Response opposed to (related document(s): <u>5</u> Motion to dismiss adversary proceeding <i>Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6)</i> filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil)
01/10/2011	10	Order denying motion to dismiss adversary proceeding as moot (related document # <u>5</u>), granting motion for leave to amend complaint (related document # <u>8</u>) Entered on 1/10/2011. Case is removed from docket for week of January 11, 2011. Counsel ORDERED to confer and submit proposed amended scheduling order for the trial of this case, to be submitted within 10 days from date of this Order. (Mathews, M.)

161, 2	000275	01/20/2011	12	Motion to dismiss adversary proceeding(<i>SECOND</i>) filed by Defendant Cengiz J. Comu (Olson, Dennis)
000279		02/11/2011	16	Response opposed to (related document(s): <u>12</u> Motion to dismiss adversary proceeding(<i>SECOND</i>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil)
000287		02/24/2011	17	Order conditionally denying second motion to dismiss adversary proceeding (related document # <u>12</u>) Entered on 2/24/2011. Plaintiffs are ORDERED to file amended complaint within 20 days of entry of this order. Defedant is ORDERED to file an answeror responsive pleading within 20 days of filing of the amended complaint. (Mathews, M.)
000290		03/02/2011	19	Motion for leave to <i>Prosecute Action</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 3/23/2011. (Lippe, Emil)
000293		03/02/2011	20	Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Cengiz J. Comu No change to nature of suit. (RE: related document(s) <u>1</u> Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature. filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). (Attachments: <u>1</u> Exhibit A <u>2</u> Exhibit B) (Lippe, Emil)
000340		03/23/2011	23	Order denying motion for leave to prosecute action without prejudice (related document # <u>19</u>) Entered on 3/23/2011. (Simpson, B)
000342		03/24/2011	24	Motion to dismiss adversary proceeding(<i>THIRD</i>) filed by Defendant Cengiz J. Comu (Olson, Dennis)
000345		04/19/2011	28	Agreed Order granting <u>27</u> Motion to extend time to file response to motion to dismiss until 4/28/2011. Entered on 4/19/2011. (Simpson, B)
000347		04/28/2011	30	Response opposed to (related document(s): <u>24</u> Motion to dismiss adversary proceeding(<i>THIRD</i>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil)
000357		05/04/2011	31	Motion to continue hearing on (related documents <u>20</u> Amended complaint, <u>24</u> Motion to dismiss adversary proceeding)[<i>Unopposed</i>] filed by Interested Party Diane G. Reed, Trustee (Elmqvist, David)
000361		05/06/2011	32	Order granting motion to continue hearing on (related document # <u>31</u>) (related documents Motion to dismiss adversary proceeding(<i>THIRD</i>) and <u>20</u> Amended Complaint) Entered on 5/6/2011. Hearing to be held on 7/11/2011 at 10:30 AM Dallas Judge Jernigan Ctrm for <u>24</u> , Trial Docket Call date reset for 9/12/2011 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Mathews, M.) Modified text on 5/6/2011 (Mathews, M.).
000363		07/06/2011	36	Second Motion to continue hearing on (related documents <u>20</u> Amended complaint, <u>24</u> Motion to dismiss adversary proceeding)[<i>unopposed</i>] filed by Interested Party Diane G. Reed, Trustee (Elmqvist, David)

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07/08/2011	37	Order granting second unopposed motion to continue hearing on (related document # 36) (related documents Amended complaint, Motion to dismiss adversary proceeding(<i>THIRD</i>)) Entered on 7/8/2011. Hearing to be held on 9/15/2011 at 09:30 AM Dallas Judge Jernigan Ctrm for <u>24</u> Third motion to dismiss and for Trial Docket Call date set for 12/12/2011 at 01:30 PM at Dallas Judge Jernigan Ctrm. Further conditions per Order. (Mathews, M.)
08/24/2011	39	Agreed Motion to Abate Adversary Proceeding (related document(s)1 Complaint) Filed by Interested Party Diane G. Reed (Elmqvist, David) Modified TEXT on 8/25/2011 (Blanco, J.).
08/31/2011	40	Agreed Order granting motion to abate adversary proceeding (related document # 39) Entered on 8/31/2011. (Mathews, M.)
05/24/2012	48	Supplemental Order granting agreed motion to abate adversary proceeding including any hearing on the motion to dismiss, abated until August 1, 2012 further conditions per order (related document # 39 agreed motion to abate) Entered on 5/24/2012. (Moroles, D.)
08/07/2012	50	Order terminating abatement of adversary proceeding and requiring: (A) Trustee's Complaint in Intervention to be filed by August 31, 2012; and (B) parties to upload Agreed Scheduling Order, or in the alternative, Court will enter its own Scheduling Order (related document # 39) Entered on 8/7/2012. Further details per Order. (Mathews, M.)
09/05/2012	53	Intervenor complaint by Diane G. Reed against Sunset Pacific, L.P., The Barclay Group, Inc., Bernard D Brown, Phyllis E Comu, Cengiz J. Comu.. (Elmqvist, David)
09/06/2012	54	Order granting Trustee's Unopposed Motion to Extend Deadline to File a Complaint in Intervention <u>52</u> Motion to extend time. Ordered that the deadline is hereby extended to September 5, 2012. Entered on 9/6/2012. (Tello, Chris)
09/20/2012	59	Agreed Scheduling Order Entered on 9/20/2012 (RE: related document(s)20 Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). Trial Docket Call date set for 7/8/2013 at 01:30 PM at Dallas Judge Jernigan Ctrm. Hearing on Defendant Cengiz J. Comu's Third Amended Motion to Dismiss Case is set for 10/31/2012 at 9:30 AM. (Mathews, M.) MODIFIED hearing dates on 9/21/2012 (Mathews, M.).
09/28/2012	61	Supplemental Response opposed to (related document(s): <u>24</u> Motion to dismiss adversary proceeding(<i>THIRD</i>) filed by Defendant Cengiz J. Comu) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Lippe, Emil)
09/28/2012	62	Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit. (RE: related document(s)1 Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against

Vol. 2			Cengiz J. Comu. Fee Amount \$250. Nature(s) of suit: 41 (Objection / revocation of discharge - 727(c),(d),(e)). (Lippe, Emil) Modified text on 9/7/2010 (Luna, G). filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). (Lippe, Emil)
000429	10/09/2012	64	Answer to Intervenor complaint (Related document: <u>53</u> Intervenor complaint by Diane G. Reed against Sunset Pacific, L.P., The Barclay Group, Inc., Bernard D Brown, Phyllis E Comu, Cengiz J. Comu. (Elmquist, David) filed by Bernard D Brown, Cengiz J. Comu, Phyllis E. Comu, Sunset Pacific, L.P., The Barclay Group, Inc.. (Olson, Dennis) Modified text on 10/9/2012 (Tello, Chris).
000433	10/09/2012	65	Reply to (related document(s): <u>30</u> Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz, <u>61</u> Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) filed by Defendant Cengiz J. Comu. (Olson, Dennis)
000437	10/26/2012	66	Motion to appear pro hac vice for David H. Wander. Fee Amount \$25 filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # <u>1</u> Exhibit) (Lippe, Emil)
000441	10/29/2012	68	Motion for leave to <i>File Third Amended Complaint and Brief in Support</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/23/2012. (Lippe, Emil)
Vol. 3	10/30/2012	69	Motion for leave to <i>File Surreply to Defendant's Response to Plaintiffs' Supplemental Response to Third Motion to Dismiss</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC Objections due by 11/23/2012. (Attachments: # <u>1</u> Exhibit A - Surreply# <u>2</u> Proposed Order) (Lippe, Emil)
000451	10/31/2012	70	Order granting motion to appear pro hac vice adding David H. Wander for Ronald Katz and King Louie Mining, LLC (related document # <u>66</u>) Entered on 10/31/2012. (Mathews, M.)
000470	11/02/2012	71	Order denying Plaintiffs' motion for leave to file Third Amended Complaint (related document # <u>68</u>) Entered on 11/2/2012. (Mathews, M.)
000471	11/02/2012	72	Order denying Plaintiffs' motion for leave to File Surreply to Defendant's Response to Plaintiffs' Supplemental Response to Third Motion to Dismiss (related document # <u>69</u>) Entered on 11/2/2012. (Mathews, M.)
000473	11/14/2012	76	Order denying motion to dismiss adversary proceeding (related document # <u>24</u>) Entered on 11/14/2012. (Mathews, M.)
000475	12/07/2012	78	Answer to complaint (<i>Second Amended</i>) to <i>Revoke Discharge</i> filed by Cengiz J. Comu. (Olson, Dennis)
000477	06/07/2013	88	Motion to substitute attorney Emil Lippe, Jr., Law Offices of Lippe & Associates with Shari L. Heyen, Kendyl T. Hanks and Charles P. Floyd, Greenberg Traurig, LLP and for <i>Withdrawal of Attorney Emil Lippe, Jr., Law Offices of Lippe & Associates</i> , filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Heyen, Shari)
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06/12/2013	89	Agreed Motion to amend scheduling order. (related documents 4 Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # 1 Exhibit A - Proposed Agreed Scheduling Order) (Heyen, Shari)
06/21/2013	90	Agreed order granting motion to amend scheduling order (related document # 89) Trial Docket Call date set for 9/9/2013 at 01:30 PM Dallas Judge Jernigan Ctrm for 20, Entered on 6/21/2013. (Rielly, Bill)
06/21/2013	91	Order granting motion to substitute attorney adding Shari L. Heyen for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, Kendyl T. Hanks for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, Charles P. Floyd for King Louie Mining, LLC; Ronald Katz and King Louie Enterprises, LLC, terminating Emil Lippe, Jr.. (related document # 88) Entered on 6/21/2013. (Rielly, Bill)
07/19/2013	94	Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates (Attachments: # 1 Exhibit # 2 Affidavit # 3 Exhibit 1 # 4 Exhibit 2 # 5 Proposed Order) (Lippe, Emil)
08/12/2013	96	Response opposed to (related document(s): 94 Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC. (Heyen, Shari)
08/14/2013	97	Reply to (related document(s): 96 Response filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates. (Attachments: # 1 Exhibit 1 # 2 Exhibit 2 # 3 Exhibit 3 # 4 Exhibit 4 # 5 Exhibit 5 # 6 Exhibit 6) (Lippe, Emil)
08/21/2013	98	Order denying motion to intervene (related document # 94) Entered on 8/21/2013. (Rielly, Bill)
08/23/2013	99	Agreed Motion to amend scheduling order. (related documents 4 Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # 1 Exhibit A - Agreed Order to Amend Scheduling Order) (Heyen, Shari)
09/13/2013	101	Agreed order granting motion to amend scheduling order (related document # 99) Trial Docket Call date set for 12/9/2013 at 01:30 PM Dallas Judge Jernigan Ctrm for 20, Entered on 9/13/2013. (Rielly, Bill)
11/25/2013	103	Witness and Exhibit List for Trial, per Scheduling Order filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s) 62 Amended complaint). (Olson, Dennis)
11/25/2013	104	Motion to amend scheduling order. (related documents 4 Standing scheduling order in an adversary proceeding) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Attachments: # 1 Exhibit A - Proposed Order) (Heyen, Shari)

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000630	11/27/2013	105	Support/supplemental document(<i>Supplement to Plaintiffs' Motion for Continuance of Scheduling Order Deadlines and Trial</i>) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)104 Motion to amend scheduling order. (related documents 4 Standing scheduling order in an adversary proceeding)). (Heyen, Shari)
000633	12/09/2013	106	Agreed order granting motion to amend scheduling order (related document # 104) Entered on 12/9/2013. Trial Docket Call date set for 3/3/2014 at 01:30 PM at Dallas Judge Jernigan Ctrm. (Rielly, Bill)
000637	12/20/2013	108	Motion for preliminary injunction (<i>expedited</i>) filed by Intervenor-Plaintiff Diane G. Reed (Elmqvist, David)
000647	12/20/2013	109	Motion for expedited hearing(related documents 108 Motion for preliminary injunction) filed by Intervenor-Plaintiff Diane G. Reed (Elmqvist, David)
000651	12/20/2013	110	Order granting ex parte motion for expedited hearing (Related Doc# 109)(document set for hearing: 108 Motion for preliminary injunction) Entered on 12/20/2013. Hearing to be held on 12/23/2013 at 09:30 AM Dallas Judge Jernigan Ctrm for 108, (Rielly, Bill)
000653	12/20/2013	111	Agreed order granting motion for temporary restraining order (related document 108) Entered on 12/20/2013. Preliminary injunction hearing to be held on 1/3/2014 at 09:30 AM Dallas Judge Jernigan Ctrm (Rielly, Bill)
000656	01/03/2014	116	Agreed Order Continuing Temporary Restraining Order (related document # 108) Entered on 1/3/2014. (Jones, A.)
000659	02/24/2014	118	Amended Witness and Exhibit List filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s)103 List (witness/exhibit/generic)). (Olson, Dennis)
000662	02/24/2014	119	Witness and Exhibit List for Trial filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s)62 Amended complaint). (Elmqvist, David)
Vol. 4	02/24/2014	120	Witness and Exhibit List filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)62 Amended complaint). (Heyen, Shari)
000670	02/26/2014	121	Stipulation by Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC and All Defendants. filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s)106 Order on motion to amend scheduling order). (Heyen, Shari)
000722	03/03/2014	124	Stipulation by Diane G. Reed and Plaintiffs and Defendants. filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s)53 Intervenor complaint, 62 Amended complaint). (Elmqvist, David)
000726	03/03/2014	125	Proposed findings of fact and conclusions of law filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s)53 Intervenor complaint). (Elmqvist, David)
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03/04/2014	126	Proposed findings of fact and conclusions of law filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s) <u>62</u> Amended complaint). (Olson, Dennis)
03/04/2014	127	Proposed findings of fact and conclusions of law filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>62</u> Amended complaint). (Heyen, Shari)
03/05/2014	130	Order setting trial Entered on 3/5/2014 (RE: related document(s) <u>62</u> Amended complaint filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). Trial date set for 3/17/2014 at 09:30 AM at Dallas Judge Jernigan Ctrm. (Rielly, Bill)
03/11/2014	132	Amended Witness and Exhibit List <i>for Trial</i> filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>120</u> List (witness/exhibit/generic)). (Heyen, Shari)
03/13/2014	134	Amended Witness and Exhibit List filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s) <u>119</u> List (witness/exhibit/generic)). (Elmquist, David)
03/14/2014	135	Amended Witness and Exhibit List <i>Second Amended</i> filed by Defendants Bernard D Brown, Cengiz J. Comu, Phyllis E Comu, Sunset Pacific, L.P., The Barclay Group, Inc. (RE: related document(s) <u>118</u> List (witness/exhibit/generic)). (Olson, Dennis)
03/16/2014	137	Amended Witness and Exhibit List (<i>Second</i>) filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (RE: related document(s) <u>132</u> List (witness/exhibit/generic)). (Heyen, Shari)
03/17/2014	138	First Amended Proposed Joint Pre-Trial order Entered on 3/17/2014. (Rebeck, B)
04/04/2014	142	Extended temporary restraining order and mandatory injunction Entered on 4/4/2014. (Rielly, Bill)
04/23/2014	144	Notice of Trustee's Status Report of Compliance filed by Intervenor-Plaintiff Diane G. Reed (RE: related document(s) <u>142</u> Temporary restraining order). (Elmquist, David)
07/29/2014	161	Motion to extend time to appeal - Rule 8002c (RE: related document(s) <u>148</u> Judgment) Filed by Defendant Cengiz J. Comu (Blanco, J.) (Entered: 08/20/2014)
07/30/2014	153	Application for compensation <i>Plaintiffs Preliminary Application for Attorneys' Fees and Expenses Awarded in the Court's July 8, 2014 Judgment</i> for Shari L. Heyen, Creditor's Attorney, Period: 10/26/2011 to 7/28/2014, Fee: \$946,504.90, Expenses: \$12,800.00. Filed by Attorney Shari L. Heyen (Heyen, Shari)
07/30/2014	154	Motion to extend time to To Submit Affidavit and Evidence in Support of Application for Attorneys' Fees & Expenses Awarded in the Court's July 8, 2014 Judgment Filed by Plaintiffs Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC (Heyen, Shari)
08/20/2014	162	Order granting motion for leave to file notice of appeal out of time <u>161</u>

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		Motion to extend time to appeal - Rule 8002c. Entered on 8/20/2014. (Rielly, Bill)
08/27/2014	165	Order granting motion to extend time to file application for attorney's fees and expenses <u>154</u> Motion to extend time. Entered on 8/27/2014. (Rielly, Bill)
08/29/2014	168	Notice regarding the record for a bankruptcy appeal to the U.S. District Court. (RE: related document(s) <u>164</u> Notice of appeal filed by Defendant Cengiz J. Comu) (Blanco, J.)

II. Appellant also designates all exhibits admitted at trial, March 17 through March 21, 2014.

Not Provided by Appellant

III. Appellant also designates the following transcripts:

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11/09/2010	177	Hearing held on 11/9/2010. (RE: related document(s) <u>5</u> Motion to dismiss adversary proceeding Pursuant to Fed. Rules Civ. Proc. Rule 12(b)(6) filed by Defendant Cengiz J. Comu filed by Defendant Cengiz J. Comu) APPEARANCES: D. Olson for Debtor; E. Lippe for Plaintiff. Nonevidentiary hearing. Announcement of an agreed order having been submitted that contemplates Plaintiff's agreement to file Amended Complaint with Debtor's reservation of right to re-urge motion to dismiss. Court will sign order. (Womack, Jennifer) (Entered: 11/12/2010)
02/14/2011	178	Hearing held on 2/14/2011. (RE: related document(s) <u>12</u> Motion to dismiss adversary proceeding (SECOND) filed by Defendant Cengiz J. Comu filed by Defendant Cengiz J. Comu) Appearances: D. Olsen for Defendant/Debtor; E. Lippe for Plaintiff. Nonevidentiary hearing. Motion denied, conditional on Plaintiff, within 20 days, amending Complaint again to provide more specificity regarding specific provisions of Section 727(d) being alleged, when acts were discovered and how, and addressing his standing, versus the Chapter 7 Trustees, to seek avoidance of alleged fraudulent transfers. If not amendment within 20 days, complaint will be dismissed. If amendment, then Defendant has 20 days thereafter to answer/respond. Counsel to submit order. (Harden, D.) (Entered: 02/18/2011)
05/02/2012	179	Status conference held (RE: related document(s) <u>20</u> Amended complaint) Appearances: E. Lippe and D. Wander (telephonically) for Plaintiffs; D. Elmquist for Trustee; D. Olson for Debtor. Nonevidentiary hearing. Based on statements of counsel, court will continue abatement through 8/1/12 and counsel shall contact courtroom deputy for another status conference the first week of August 2012. Counsel shall upload an order continuing abatement. (Davis, T.) (Entered: 05/14/2012)
07/31/2012	180	Hearing held on 7/31/2012. (RE: related document(s) <u>20</u> Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Cengiz J. Comu No change to nature of suit. (RE: related document(s) <u>1</u> Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature. filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz). (Attachments: <u>1</u> Exhibit A <u>2</u> Exhibit B) filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz) Appearances: D. Elmquist for Trustee; E. Lippe and D. Wander (telephonically) for Plaintiff; D. Olson for Debtor. Nonevidentiary status conference. Court heard reports regarding Rule 2004 examinations that have been ongoing and Trustees intention to file a Complaint in Intervention by 8/31/12. Court will enter Order terminating the abatement of this Adversary Proceeding and requiring: (a) Trustees Complaint in Intervention to be filed by 8/31/12; and (b) parties to upload Agreed Scheduling Order by 9/14/12 (inclusive of deadlines pertaining to the pending Rule 12(b)(6)

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		motion) or, in the alternative, court will enter its own Scheduling Order thereafter setting a January 2013 trial docket call and deadlines pertaining to the Rule 12(b)(6) motion. (Baird, Dennis) (Entered: 08/01/2012)
10/31/2012	181	Hearing held on 10/31/2012. (RE: related document(s)24 Motion to dismiss adversary proceeding(<i>THIRD</i>) filed by Defendant Cengiz J. Comu) Appearances: D. Olson for Movant/Defendant/Debtor; D. Elmquist for Trustee; E. Lippe and D. Wander (telephonically) for Plaintiff/King Louie Mining. Nonevidentiary hearing. Motion denied. Court also denied a pending Motion for Leave by Plaintiff/King Louie Mining to File Third Amended Complaint. Thus, Second Amended Complaint of King Louie Mining (Section 727 count only) and Complaint in Intervention of Trustee are now governing pleadings in this Adversary Proceeding. Mr. Lippe to upload orders on motion to dismiss and motion for leave. (Baird, Dennis)
08/15/2013	182	Hearing held on 8/15/2013. (RE: related document(s)94 Motion to intervene filed by Intervenor-Plaintiff Lippe & Perry, P.C., d/b/a Law Offices of Lippe & Associates (Attachments: # 1 Exhibit # 2 Affidavit # 3 Exhibit 1 # 4 Exhibit 2 # 5 Proposed Order)) Appearances: E. Lippe for his firm; K. Hanks and C. Floyd for Plaintiffs other than the Trustee; D. Elmquist for Trustee; R. Nicoud for Debtor. Nonevidentiary hearing. Motion denied. Ms. Hanks to upload order. (Harden, D.) (Entered: 08/21/2013)
03/04/2014	183	Pre-trial conference held on 3/4/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit. (RE: related document(s)1 Adversary case 10-03269. Complaint by King Louie Mining, LLC, King Louie Enterprises, LLC, Ronald Katz against Cengiz J. Comu. Fee Amount \$250. Nature(s) of suit: 41 (Objection / revocation of discharge - 727(c),(d),(e)). (Lippe, Emil) Modified text on 9/7/2010 (Luna, G). filed by Plaintiff King Louie Mining, LLC, Plaintiff King Louie Enterprises, LLC, Plaintiff Ronald Katz.) Appearances: K. Hanks and V. Vital for Creditor/Plaintiffs; D. Elmquist for Intervenor/Plaintiff; D. Olson for Defendants. Nonevidentiary status conference. Court will issue order setting trial for March 17, 2014 at 9:30 am, continuing through March 21, 2014. Parties to upload final Pre-Trial Order by March 14, 2014. (Harden, D.) (Entered: 03/06/2014)
03/17/2014	184	Trial held on 3/17/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Daptco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.)

Vol. 6			Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/18/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)
001277	03/18/2014	185	Trial held on 3/18/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Dapco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/19/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)
Vol. 7	03/19/2014	186	Trial held on 3/19/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Dapco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/20/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)
001538			
Vol. 8	03/20/2014	187	Trial held on 3/20/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Dapco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial continued to 3/21/14 at 9:30 am. (Harden, D.) (Entered: 03/25/2014)
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Vol. 9	03/21/2014	188	Trial held on 3/21/2014. (RE: related document(s)62 Amended complaint by Emil Lippe Jr. on behalf of Ronald Katz, King Louie Enterprises, LLC, King Louie Mining, LLC against Phyllis E. Comu, Regus Advisors, Inc., Marathon Management Limited Company, Dapco Trust, TKY Trust, The Barclay Group, Inc., Sunset Pacific, L.P., Bernard D Brown, Cengiz J. Comu Adding nature(s) of suit.) Appearances: K. Hanks, V. Vital and N. Sarokhanian for Plaintiffs; D. Elmquist for Trustee; D. Olson for Defendants. Evidentiary trial. Trial concluded. Court gave bench ruling: (a) revocation of discharge shall be ordered as to the Debtor, pursuant to Section 727(d)(1) & (2) of the Bankruptcy Code, based on fraud and concealment of assets of which Plaintiffs (and Trustee) were unaware until after the granting of discharge, and also based on Debtors acquiring or becoming entitled to acquire property that was or would be property of the estate and knowingly and fraudulently failing to report, deliver and surrender it to Trustee; (b) The Barclay Group, Inc. and Sunset Pacific are the alter
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		egos of Debtor and their veil should be pierced; (c) Debtor should turnover previously undisclosed Turkish Bank Account and the equity/asset-control of The Barclay Group, Inc. and Sunset Pacific to Trustee; (d) parties may submit post-trial briefing regarding possible monetary damages to the estate. Counsel will upload an amended restraining order and injunction, as soon as possible, to protect dissipation of Green Auto stock or other assets of The Barclay Group, Inc. and Sunset Pacific. Counsel will subsequently upload proposed Findings of Fact, Conclusions of Law and Judgment that are consistent with the courts oral ruling and otherwise consistent with the evidence. (Harden, D.) (Entered: 03/25/2014)
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IV. Appellant states the following Issues presented on Appeal:

1. The Bankruptcy Judge erred in revoking the Debtor's discharge.
2. The Bankruptcy Judge erred in finding that the Barclay Group and Sunset Pacific are the alter egos of the Debtor.
3. The Bankruptcy Judge erred in calculating the amount of the damages for which the Debtor was found to be liable.

[Signature on following page]

Respectfully submitted,

Cengiz J. Comu
14873 Oaks North Place
Dallas, Texas 75254
(972) 965-2545 – Telephone
Email: cjcomu@gmail.com

By: _____

Cengiz J. Comu
Pro Se

CERTIFICATE OF SERVICE

I hereby certify that on the 11 day of September, 2014, a true and correct copy of the foregoing document was sent via electronic means or by first class mail, postage prepaid to the persons shown below:

Kendyl T. Hanks
Greenberg Traurig, LLP
300 West 6th Street, Suite 2050
Austin, Texas 78701

David W. Elmquist
Reed & Elmquist, P.C.
501 N. Colloge Street
Waxahachie, Texas 75165

By: _____

Cengiz J. Comu

1 correct?

2 A. Yes, sir.

3 Q. And it was your view at that time that you
4 weren't obliged to list it because the transaction
5 didn't close until after the filing, and you weren't
6 certain whether or not you had, in fact, received a
7 certificate, so there was no duty to disclose anything
8 about the transaction. Was that your testimony?

9 A. I don't know what my testimony was, but the
10 point that I was trying to make in January of 2010 was
11 that the name change and the symbol and the CUSIP and
12 all of that had not been effectuated, so we did not have
13 physical certificates for me to consider this
14 transaction to be officially closed. So I had nothing
15 to pledge to the trustee. And when I did get it, I
16 turned it over to the trustee as soon as I received the
17 certificate but --

18 Q. Mr. Comu, you understand that turning something
19 over to the trustee and disclosing information
20 accurately on your schedules are two different things,
21 right?

22 A. Yes, absolutely.

23 Q. And it is undeniably the case is that the
24 merger transaction was effective November 5th before
25 your filing. That merger transaction, which was

1 completed, according to your December 4, 2009, email,
2 entitled you to receive 300,000 shares of Ganas Corp
3 stock, correct?

4 A. That is correct.

5 Q. But it was not listed in your bankruptcy case
6 and has never been listed, correct?

7 A. I don't know if the amendment has been made. I
8 know the certificate has been issued. I don't know what
9 additional documentation to support that has been done
10 or not.

11 Q. Well, I can tell you --

12 MR. ELMQUIST: And I would ask the Court to
13 take judicial notice of the fact.

14 Q. -- that there have been no amendments to the
15 debtor's schedules or statement of financial affairs
16 since they were filed on January 15, 2010.

17 THE COURT: Court will so notice.

18 Q. This goes to another point concerning this
19 Turkish Bank account that wasn't scheduled, Mr. Comu. I
20 want to talk a little bit about that. You had a bank
21 account in Turkey at the time of the bankruptcy filing?

22 A. Yes, sir, that's correct.

23 Q. And that account wasn't listed in your
24 bankruptcy schedules?

25 A. It was my error, yes, sir.

1 Q. And you understood that you had a duty to
2 disclose all your assets and liabilities?

3 A. Yes, absolutely.

4 Q. And you had been asked on numerous occasions
5 whether your schedules were complete and accurate; is
6 that right?

7 A. To the best of my recollection, yes, sir.

8 Q. Okay. And on each occasion you answered in the
9 affirmative?

10 A. To the best of my recollection at that time,
11 yes, sir.

12 Q. But as we stand here or sit here today, your
13 bankruptcy schedules have not been amended to reflect
14 the account in Turkey, correct?

15 A. I would not know that. I would have to speak
16 with Counsel.

17 Q. Okay. Well, do you recall any discussions with
18 Mr. Olson or anyone about amending your bankruptcy
19 schedules to reflect the account in Turkey?

20 A. I believe we certainly had conversation about
21 it, and what was done I am certainly not aware of.

22 Q. I mean, Mr. Comu, do you understand that the
23 bankruptcy schedules are your schedules, not Mr. Olson's
24 schedules?

25 A. I understand that.

1 Q. And the duty that is imposed on you, as a
2 debtor, is for you to disclose, not for Mr. Olson to
3 disclose, your assets and liabilities?

4 A. Correct, I just don't know the proper
5 documentation that I am required to submit to --

6 Q. Let's talk about the account in Turkey. Is it
7 still open?

8 A. I believe, to the best of my recollection, yes.

9 Q. You understand those are funds of the
10 bankruptcy estate?

11 A. Yes, sir.

12 Q. Have you made any effort to turn those funds
13 over to the trustee?

14 A. I believe my attorney has spoken to the
15 trustee, and we are awaiting instructions.

16 Q. Okay. How much money is in the account?

17 A. I am going to guess between three and 5,000 US
18 dollars.

19 Q. Have you spent any of that money since the
20 filing of the bankruptcy case?

21 A. No, sir.

22 Q. I want to talk to you a little bit about the
23 Barclay Group. It was formed in 1999, correct?

24 A. Approximately, I don't know the exact date. I
25 don't recall.

1 Q. Was that formed by you and a John Potter?

2 A. Yes, we were the original two partners.

3 Q. Okay. And was its original business purpose to
4 be a holding company?

5 A. I believe that was the initial structure, yes.

6 Q. Okay. When -- Was the Green Auto transaction
7 the first transaction Barclay Group was involved in, in
8 which it served in sort of an investment banking
9 capacity?

10 A. No, I believe we did a transaction in the year
11 2000, I believe.

12 Q. After the transaction in 2000, was there any
13 other transaction until the Green Auto transaction?

14 A. I don't think so. I can't recall off the top
15 of my head.

16 Q. Mr. Comu, I will tell you this is a stipulated
17 fact, that you are the sole officer and director of the
18 Barclay Group. This is a corporation, so it has
19 directors and officers, as opposed to managers. Do you
20 understand that distinction?

21 A. Yes.

22 Q. Okay. And you understand you are the sole
23 officer and director of the Barclay Group?

24 A. I may be listed as a director. I don't know if
25 Mr. Brown is listed as a director or not.

1 Q. I can tell you -- Without spending time in
2 court here, I can tell you each and every public
3 information report that has been filed lists you as the
4 sole officer and director. So would you agree that the
5 filings you made are accurate? The filings you made
6 with the Texas Secretary of State's office, where you
7 filed public information reports, showed you as the sole
8 officer and director. Do you think those reports were
9 accurate when you submitted them?

10 A. If I was listed as the sole director, I would
11 have to find out how the equity table was listed as
12 well. I think the equity owner and the director may be
13 two different things.

14 Q. Well, they absolutely are.

15 A. Right.

16 Q. Do you understand the distinction between an
17 equity holder and a director? Equity holder would be a
18 shareholder?

19 A. Correct.

20 Q. And a director would be a member of the board
21 of directors?

22 A. That's correct.

23 Q. Who are elected by the shareholders, right?

24 A. That's correct.

25 Q. So you have got shareholders, and you have got

1 directors?

2 A. That's correct.

3 Q. I am saying those reports that are submitted to
4 the state show you as the sole officer and director.
5 Those reports don't say anything about shareholders,
6 just officers and directors. So do you think that is
7 accurate?

8 A. I would have to check the reports, sir. I
9 don't know exactly.

10 Q. So you are not sure? When you submitted those
11 reports as being the sole officer and director, you are
12 saying you are not sure it was accurate, when you
13 submitted those?

14 A. Yes, I am not sure if that was accurate or not.

15 Q. Well, Mr. Comu, why then would you submit them?
16 Why would you submit reports to the State of Texas,
17 stating that you are the sole officer and director, if
18 you weren't certain whether or not that statement was
19 accurate?

20 A. They were usually prepared by my accountant for
21 my signature.

22 Q. It doesn't matter who prepared them, Mr. Comu.
23 It is your signature on there that is representing
24 certain facts, those being that you are the sole officer
25 and director, and we have gone so far as to stipulate

1 that that is, in fact, the case. And you are in court
2 today now questioning whether or not that is true?

3 A. No, I am not questioning it.

4 Q. Well, it sounds like you are. All right.
5 Let's move on.

6 Let's talk about ownership. I asked you at
7 your examination and I asked Mr. Brown at his
8 examination about documents evidencing ownership. And I
9 will tell you that what Mr. Brown said is the only
10 document -- the only document that evidenced ownership
11 was the so-called stock swap agreement. Are you
12 familiar with what that is?

13 A. The share exchange agreement, yes.

14 Q. Yeah. Well, do you agree with him that that is
15 the document that reflects ownership of the Barclay
16 Group, the one and only document?

17 A. No.

18 Q. Okay. What other document do you believe
19 exists that reflects ownership? Because I asked you for
20 other documents, and I have never been provided any.

21 A. Tax returns, which have been provided.

22 Q. Oh, I am talking about corporate document, Mr.
23 Comu, that would be based upon something other than what
24 you might have told your tax preparer. Is there some
25 form of corporate document that reflects ownership of

1 the Barclay Group?

2 A. I would have to pull the corporate record book,
3 which I don't know exactly where it is located, to see
4 if I can supply you with additional documents, aside
5 from what has been provided to you, sir.

6 Q. I can tell you that I have requested and
7 received no documents evidencing ownership, and I have
8 requested that on repeated occasions, including at your
9 2004 examination or in connection with your 2004
10 examination.

11 Let's talk about the acquisition agreement
12 and plan of share exchange, which is Trustee's
13 Exhibit 61. I asked some questions of Mr. McNeil
14 yesterday about this document.

15 MR. ELMQUIST: Can you pull that up,
16 Trustee 61?

17 Q. Can you read that, Mr. Comu? Make it a little
18 bigger. I know it is in the book.

19 All right. You can read it on the screen,
20 or you can turn to Exhibit 61 in the book.

21 A. I can see it on the screen. Thank you.

22 Q. All right. I am not going to belabor this, but
23 the first paragraph indicates that the parties to this
24 agreement include the shareholders of TBG. Do you see
25 that in the first paragraph?

1 A. Yes.

2 Q. So the party or parties that would be signing
3 this agreement to exchange their shares of stock in the
4 Barclay Group would be the shareholders of the Barclay
5 Group, correct?

6 A. That's correct.

7 Q. Now, turn to the signature page of the
8 document, and this agreement is -- Well, first of all,
9 is this signature under Brown and Lampe, PLC, is that
10 Mr. Brown's signature, to the best of your knowledge?

11 A. Appears to be.

12 Q. Is the signature for the Barclay Group your
13 signature?

14 A. Yes, it appears to be.

15 Q. Were you signing this agreement as the sole
16 shareholder of the Barclay Group?

17 A. Yes, sir.

18 Q. So at the time this document was signed, you
19 were the hundred percent owner?

20 A. Yes, sir.

21 Q. Did you know at the time this agreement was
22 signed that Brown and Lampe did not legally exist as a
23 corporate entity, that it had never been properly
24 formed?

25 A. Not at the time of signing the (Inaudible), no,

1 sir.

2 Q. This agreement was entered into in 2007,
3 correct?

4 A. That's what the date says at the beginning.

5 Q. December 30, 2007, so when did you learn that
6 Brown and Lampe had never been formed as a legal entity?

7 A. In his deposition in Dallas, Texas.

8 Q. Okay. And that was taken in August of 2012?

9 A. I believe so.

10 Q. So up until that time, you believed that Brown
11 and Lampe was a 99 percent owner?

12 A. No, after this date Brown and Lampe became
13 99 percent owner.

14 Q. If you believe that Brown and Lampe was
15 99 percent owner, then why did you list in your
16 bankruptcy schedules that Mr. Brown, individually, was
17 the 99 percent owner?

18 A. I always refer to Mr. Brown as the owner of
19 Brown and Lampe, so I just assumed that it would be him
20 individually.

21 Q. Okay. I am not going to belabor this either,
22 but Ms. Hanks asked you about you are a sophisticated
23 businessman, and you have operated many companies. You
24 know the difference between an individual and a company,
25 correct?

1 A. Yes, sir, I do.

2 Q. You know that Bernard Brown does not equal
3 Brown and Lampe?

4 A. That is correct.

5 Q. So if Brown and Lampe were the owner, it should
6 list Brown and Lampe, not Bernard Brown, right?

7 A. Correct. I think it might have been perhaps a
8 misinterpretation on my part at that time.

9 Q. Did you look at -- Let me ask you this: In
10 connection with the preparation of your bankruptcy
11 schedules, did you look at any documents like the
12 acquisition agreement in the preparation of these
13 papers?

14 A. Not 100 percent, Mr. Elmquist. I was in quite
15 a state of shock at that time.

16 Q. Are you saying you basically relied on your
17 memory in the preparation of these documents?

18 A. My memory and whatever documents that I had
19 access to at that time.

20 Q. Okay. You have mentioned several times the
21 date of December 31, 2009, was a very important date to
22 you because you had an important decision to make. What
23 important decision were you referring to?

24 I am sorry. I didn't mean to upset you.

25 A. A bankruptcy.

1 Q. Okay. Well, that's a tough thing for someone
2 who didn't -- When did you first meet with Mr. Olson
3 about the possibility of filing bankruptcy?

4 A. I don't recall the dates.

5 Q. Was it weeks before, months before, days
6 before?

7 A. It may have been months before.

8 Q. Months before? When we were talking about --
9 or when you were talking about -- do you need to take a
10 break?

11 THE COURT: Mr. Comu, do you need to take a
12 break?

13 MR. ELMQUIST: I think he does.

14 THE COURT: All right. We will take a
15 five-minute break.

16 (Recess from 2:22 until 2:34.)

17 THE COURT: Please be seated. All right.
18 Are we ready to proceed?

19 MR. ELMQUIST: I believe we are, Your
20 Honor.

21 THE COURT: Okay.

22 Q. (By Mr. Elmquist) Mr. Comu, I want to go back
23 to Trustee's Exhibit 61, which is the acquisition
24 agreement and plan of share exchange. Was this
25 transaction completed?

1 A. Yes, I believe it was.

2 Q. So by virtue of this -- what was the reason for
3 your -- the Barclay Group entering into this agreement
4 to exchange shares with Brown and Lampe? What was the
5 business purpose?

6 A. At the time the Barclay Group was looking to
7 potentially expand into Europe, and Mr. Brown was
8 looking for a US vehicle to seek to make investments in
9 the United States, and so we thought this would be a
10 clean swap of allowing us to exchange corporations and
11 with a -- with the intent to try to see if we can work
12 together in the future.

13 Q. You testified earlier that you were the sole
14 shareholder in this exchange of the stock of the Barclay
15 Group, so, by virtue of this exchange, you received
16 99 percent of the stock of Brown and Lampe; is that
17 right?

18 A. The Barclay Group and Brown and Lampe were to
19 exchange shares for 99 percent each of the swap, yes,
20 sir.

21 Q. But the swap that was occurring was swap of
22 shares that were owned, not by the company, but by the
23 individual shareholders, correct?

24 A. Yes, that's correct.

25 Q. Okay.

1 A. By the individual shareholders.

2 Q. And your earlier testimony was you were the one
3 and only shareholder of the Barclay Group, which would
4 mean that you would have been entitled to receive the
5 99 percent interest in Brown and Lampe?

6 A. That's correct.

7 Q. And you believe this to have been a legally
8 effective transaction at the time the transaction
9 closed?

10 A. With the exception of the certificates being
11 issued, that's correct.

12 Q. Why were no certificates issues?

13 A. We just never got around to doing anything in
14 Europe at that time, so we never sought to request the
15 certificates.

16 Q. Did you have any assistance in this
17 transaction, in terms of having any advice from a lawyer
18 or financial adviser in the UK, as relates to
19 undertaking this transaction?

20 A. I don't believe we used UK law at that time. I
21 believe we used US law, since it was a US corporation.

22 Q. But Brown and Lampe was a UK corporation,
23 right? That's the entity you were acquiring?

24 A. Well, it was a share exchange.

25 Q. But I mean what this agreement provided for is

1 that you, as the sole shareholder of the Barclay Group,
2 were going to obtain in this share exchange 99 percent
3 of the outstanding shares of Brown and Lampe, right?

4 A. That's correct.

5 Q. And so my question to you is: Did you do any
6 kind of due diligence into Brown and Lampe or consult
7 with anyone in the UK concerning the acquisition of that
8 stock?

9 A. There may have been some conversations, but we
10 relied on the reps of warranties, per this agreement,
11 that the company was basically empty with no assets or
12 liabilities, which is what we were transferring.

13 Q. So you did not seek or obtain any kind of
14 independent verification that Brown and Lampe was a
15 legally existing entity at the time this transaction was
16 done?

17 A. We did not seek a third party, independent
18 report, no, sir. We relied on the reps and warranties
19 of the agreement.

20 Q. All right. I now want to talk about the Green
21 Auto transactions and the transactions following that.
22 On behalf of the Barclay Group, you entered into three
23 separate stock purchase agreements on or about
24 January 10, 2010, correct?

25 A. Yes, sir.

1 Q. And those were with Sunset Pacific, LP, TKY
2 Trust and Daptco Trust; is that right?

3 A. I believe that's correct.

4 Q. I put in front of you there Trustee's first
5 filing of exhibits, and Exhibits 6, 7 and 8 are those
6 three agreements. And I am going to discuss each of
7 them in order, but I just wanted you to confirm that
8 those are copies of the agreements I just asked you
9 about.

10 A. Yes, they appear to be.

11 Q. Okay. Let's start with Exhibit 6. The
12 purchaser here is Sunset Pacific, LP. What -- tell the
13 Court what you know about Sunset Pacific, LP.

14 A. Sunset Pacific, LP, was created, I believe,
15 somewhere around 1999 by my attorney, Cecil Mathis. And
16 after I was married in approximately 2006, there was a
17 financial restructuring and, advice of counsel and
18 financial planners, my wife became the majority owner of
19 Sunset Pacific, and I worked with her on investment
20 decisions going forward.

21 Q. Your wife was a 98 percent limited partner, I
22 think the document reflects; is that right?

23 A. I believe that's correct.

24 Q. And you were -- the general partner of Sunset
25 LP was a company called Marathon Management; is that

1 right?

2 A. I believe that's correct.

3 Q. And Marathon Management was under your control?

4 A. Until January of 2006 when all of the
5 restructuring was done, that's correct.

6 Q. Okay. Well, who was the general partner of
7 Sunset Pacific, LP, on January 10, 2010?

8 A. That would have been, I believe, Marathon
9 Management.

10 Q. And who was in control of Marathon Management
11 at that time?

12 A. My brother, Cem Comu.

13 Q. Why did the management of Sunset Pacific switch
14 from you to your brother in 2006?

15 A. That was part of the financial and legal
16 structuring. We got rid of our prenup. We had a new
17 will. And it was a lot of discussions with our
18 financial planners and our attorney to restructure how
19 Sunset Pacific and Marathon Management should go
20 forward.

21 Q. What business activity was Sunset Pacific
22 engaged in, if you know, in January 2010 when it entered
23 into the stock purchase agreement?

24 A. I believe it was an investment holding company
25 and made investments and was looking for opportunities.

1 Q. Did it have any income or assets at the time?

2 A. I don't know what its tax return or financial
3 statement looked like as of that date.

4 Q. Why did you enter into an agreement to sell two
5 and a half million dollar shares of the Barclay Group
6 stock to Sunset Pacific?

7 A. Well. We thought it was the right thing to do.
8 It was a sale against a note, and we thought that we
9 would have the assurance of getting paid, since nobody
10 was cash buyers for the security at the time, since it
11 was completely restricted.

12 Q. Okay. So the purchase price of \$200,000 was in
13 the form of a promissory note; is that right? Excuse
14 me, \$250,000, that was a promissory note, correct?

15 A. Yes, that's correct, securitized by the stock.

16 Q. All right. Let's look first at the second page
17 of the stock purchase agreement. The copy that I was
18 provided shows -- I believe it shows you signing on
19 behalf of the Barclay Group; is that right?

20 A. That appears to be my signature, yes.

21 Q. Whose signature is that below under Sunset
22 Pacific?

23 A. I believe that is my wife, Phyllis Comu, who
24 owns 98 percent of Sunset Pacific.

25 Q. But your wife is a limited partner?

1 A. That's correct.

2 Q. So did the general partner approve this
3 transaction?

4 A. I don't recall.

5 Q. That would be -- that would have been your
6 brother on behalf of Marathon?

7 A. That is correct.

8 Q. And the consideration for the sale of the stock
9 was the \$250,000 promissory note, which is the third and
10 fourth page -- a copy of that is the third and fourth
11 page of this exhibit; is that right?

12 A. That's correct.

13 Q. Who determined the -- first of all, who
14 determined the purchase price for the stock?

15 A. I think we looked at market conditions and came
16 up with a number that we thought would be fair and
17 equitable for all parties concerned, considering the
18 risk.

19 Q. Who is "we" in that sentence?

20 A. It was a combination of myself at the Barclay
21 Group, Mr. Brown and also my wife at Sunset Pacific and,
22 I believe, my brother at Marathon Management.

23 Q. So you four got together and decided on doing
24 this sale and the purchase price for the stock?

25 A. I wouldn't say the four of us got together. I

1 believe there were independent conversations. I don't
2 know if the four of us ever had a call together.

3 Q. All right. Who determined the payment terms
4 for this note?

5 A. Well, the Barclay Group was the facilitator of
6 the sale of it, so we managed the process of the
7 repayment program back to the company.

8 Q. So you are saying you determined the payment
9 terms?

10 A. Well, we were the one holding the receivable,
11 and we were the one pledging the stock, so we were
12 managing the process of the repayment back to the
13 Barclay Group's account.

14 Q. When you say "we", it is not helpful, Mr. Comu,
15 because I don't know who you mean by "we"?

16 A. I am sorry. The members of the Barclay Group.

17 Q. And who were those members?

18 A. At that time would be myself, Mr. Brown,
19 Mr. Parsley and Mr. Baxter.

20 Q. And when you say members of the Barclay Group,
21 are you referring to them as owners of the Barclay Group
22 or as persons involved in the management of the Barclay
23 Group?

24 A. More of the management. They were not owners
25 of the company. Mr. Brown was the 99 percent owner of

1 the Barclay Group.

2 Q. I think we earlier established that it wasn't
3 Mr. Brown but Brown and Lampe, right?

4 A. I am sorry. You could be correct. I referred
5 to Mr. Brown, but it could be Brown and Lampe.

6 Q. Well, based upon the agreement you entered
7 into, it was Brown and Lampe, wasn't it?

8 A. That's what the contract says.

9 Q. Have there been any payments on this \$250,000
10 note made by Sunset Pacific payable to the Barclay
11 Group?

12 A. I don't believe so. I am not 100 percent.

13 Q. The note required quarterly payments of
14 interest; did it not?

15 A. I believe that's correct.

16 Q. In the second paragraph?

17 A. Yes, sir.

18 Q. So the note is in default?

19 A. Yes, sir, I believe we have taken the stock
20 back.

21 Q. When did you take the stock back?

22 A. I think within a year of none of the payments
23 or none of the sales occurring, we took the stock. I
24 believe we are holding it in escrow.

25 Q. Okay. Where exactly is it being held?

1 A. Could be at the offices of the Barclay Group.

2 Q. Are you talking about a physical stock
3 certificate that was issued to Sunset Pacific?

4 A. Yes, sir.

5 Q. Was there -- the stock that we are talking
6 about here was stock initially issued to the Barclay
7 Group by Green Auto, right?

8 A. It was part of the Barclay Group's equity
9 interest in the transaction that closed in January 13th,
10 2010.

11 Q. So it was part of the 95 million shares that
12 Green Auto -- excuse me, that the Barclay Group received
13 from Green Auto, correct?

14 A. Unfortunately, that is incorrect.

15 Q. Okay.

16 A. The Barclay Group received one-third of the 95
17 million shares referenced in the closing, which is about
18 31 million shares.

19 Q. 3,100 or 31 million?

20 A. 31 million.

21 Q. And why did it receive one-third?

22 A. We were the one-third party to the transaction
23 that is evidenced in a single document that shows three
24 parties and the respective ownership.

25 Q. You are referring to the memorandum of

1 understanding?

2 A. Yes, sir.

3 Q. I thought Mr. McNeill testified yesterday that
4 that transaction never closed?

5 A. No, I believe he was referring to a partnership
6 agreement that was being discussed, and that partnership
7 agreement was never closed, signed, executed, et cetera.

8 Q. Okay. I need you to take a look at Exhibit 73,
9 Trustee's 73, please, Mr. Comu. It would be in this.
10 So is Exhibit 73 the agreement you are referring to that
11 caused the shares of Green Auto to be divided among the
12 Barclay Group, the Mayborne Group and First Market
13 Securities?

14 A. Yes, sir.

15 Q. Okay. You signed this agreement on behalf of
16 the Barclay Group, correct?

17 A. Yes, its authorized agent.

18 Q. Okay. What does that mean exactly? What type
19 of agent were you? I mean you were sole officer and
20 director of the Barclay Group. Were you signing -- you
21 were signing on behalf of the 99 percent owner, Brown
22 and Lampe?

23 A. No, I was signing as an authorized agent or
24 officer of the Barclay Group that allowed me powers to
25 enter into contracts like this.

1 Q. What document evidences that power?

2 A. I believe the document you reference, which is
3 the franchise filing with the state, that shows myself
4 as the director of the company.

5 Q. You are saying, based upon the franchise tax
6 filing, you think you have the authority to undertake
7 any action that you deem appropriate on behalf of the
8 Barclay Group?

9 A. As a director of the corporation, I believe I
10 have those powers.

11 Q. Without any consultation with the owners?

12 A. No, I believe I always have consultation, but I
13 only require unanimous shareholder approval at times
14 that requires it, and there has been no cases where I
15 required to have unanimous shareholder approval by the
16 Barclay Group. I am simply signing these as a director
17 and officer to enter the contract that I am empowered
18 to.

19 Q. Let's go to the first paragraph of 73,
20 Paragraph One. It states, "The parties acknowledge that
21 Party A" -- That would be Mayborne Group, Limited --
22 "has paid the following sums for the purchase of GNAS."
23 Do you see that?

24 A. Yes, sir.

25 Q. And this agreement is dated November 24, 2009,

1 correct?

2 A. Yes, sir.

3 Q. So prior to November 24, 2009, Mayborne Group,
4 LTD, had paid to -- had paid the following sums as
5 indicated in 1(A), \$120,000 to Block and Garden for the
6 purchase of GNAS and legal filing fees; is that right?

7 A. Yes, sir.

8 Q. Why would Mayborne Group be paying Block and
9 Garden for the purchase of the stock?

10 A. They were buying GNAS, Ganas Corporation, with
11 \$120,000.

12 Q. Okay. But why would the payment be made to
13 Block and Garden?

14 A. They were the law firm that was selected by our
15 company to facilitate the transaction.

16 Q. So you are saying that Block and Garden was
17 essentially acting as an escrow agent here?

18 A. No, as a law firm.

19 Q. Well, what consideration did Block and Garden
20 provide for the \$120,000 that you say Mayborne paid to
21 it?

22 A. The \$120,000 is what was paid to the seller of
23 the shell, the Ganas shareholders, and Block and Garden
24 acted as an escrow to facilitate the receipt and then
25 the transfer of the \$120,000 from the Mayborne Group to

1 the shareholders of Ganas Corporation.

2 Q. Okay. Mr. Comu, I accept that, but that was
3 exactly what I asked you one question ago. Did Block
4 and Garden act as an escrow agent with respect to the
5 \$120,000?

6 A. I am sorry.

7 Q. And you answered no.

8 A. I am sorry. I thought you said did they just
9 act as an escrow, and I want to say they were the --
10 acted as a law firm. They also provided escrow service
11 on top of that.

12 Q. How much of this \$120,000 was in payment of
13 legal fees, if you know?

14 A. I don't believe any of it.

15 Q. Okay. But it says, "In legal filing fees." Do
16 you see that?

17 A. I see that. I am not sure if that included the
18 legal and filing or if we had to send them additional
19 funds for that. I am not 100 percent certain.

20 Q. Okay. And then also Paragraph One, \$30,000 is
21 paid to the Barclay Group for professional services and
22 fees. Do you see that?

23 A. Yes, sir.

24 Q. So you have got \$120,000 being paid by
25 Mayborne, as I am understand you, for the stock. They

1 are paying a \$30,000 fee to the Barclay Group for
2 professional services. And Mayborne Group is ending up
3 with one-third of the stock that is being issued to the
4 Barclay Group, the Green Auto stock. What did First
5 Market Securities provide in consideration for its
6 one-third?

7 A. I believe they were responsible for market
8 support and investor relations.

9 Q. That is nowhere reflected in this memorandum of
10 understanding, is it?

11 A. No, it is not.

12 Q. Is there some other document that reflects that
13 understanding?

14 A. Not that I am aware of at this time.

15 Q. So what was -- This transaction, this
16 memorandum of understanding was entered into with the
17 contemplation that this stock that was being sold --
18 well, that is referenced in 2(A) and 2(B), the 28,550.11
19 in restricted shares and the 3,240,016 in nonrestricted
20 shares, would be, in turn, transferred to a new co, a
21 newly formed corporation, that would be equally owned
22 among the three? Was that the plan?

23 A. That was the discussion that was had.

24 Q. Okay. And did that occur?

25 A. No, it did not.

1 Q. So Mayborne Group -- Did the Barclay Group
2 receive the 95 million shares that the merger agreement
3 called for and that the purchase agreements the Barclay
4 Group entered into called for? There was two
5 transactions that you were asked about, one that was 91
6 million and so, and another was 3 million and so,
7 totaling about 95 million and so. Did the Barclay Group
8 receive those 95 million shares or certificates
9 evidencing those \$95 million shares?

10 A. I don't believe so.

11 Q. So what happened that caused the Barclay Group
12 not to receive those shares?

13 A. We were acting as the agents for the Mayborne,
14 and First Market Services facilitated this transaction,
15 and on closing, as evidenced by this memorandum, we
16 would receive one-third of those 91 million shares.

17 Q. Okay. So what you are saying is -- or are you
18 saying that part of the original agreement, separate and
19 apart from this memorandum of understanding, was that
20 the Mayborne Group and First Market Services would
21 receive one-third of the stock that was being issued to
22 the Barclay Group?

23 A. They would receive one-third of Ganas
24 Corporation stock that was being purchased by Mayborne
25 Group with the \$120,000 they were paying the Ganas

1 shareholders.

2 Q. All right. Then that stock would then be
3 converted into Green Auto stock?

4 A. After the name change, symbol change, CUSIP
5 change in January 13th of 2010 is when the certificates
6 were finally ready to be issued.

7 Q. And they were issued one-third, one-third,
8 one-third?

9 A. I believe originally that is how they were
10 created.

11 Q. Okay. So the total number of shares as of
12 January 2010 that the Barclay Group received, Green Auto
13 stock that the Barclay Group received, was something in
14 the order of 31 million, equal to the 95 million divided
15 by three; is that right; is that what you are saying?

16 A. I believe it was approximately 30 million.

17 Q. And from that 30 million shares that it
18 received, it sold two and a half million shares to
19 Sunset Pacific, pursuant to the terms of the stock
20 purchase agreement; is that right?

21 A. Pursuant to the terms of the stock purchase
22 agreement and then the note, yes, sir.

23 Q. And it also sold to TKY Trust five million
24 shares, pursuant to Exhibit 7, the stock purchase
25 agreement --

1 A. Just to clarifies --

2 Q. -- between the Barclay Group and TKY?

3 A. Just to clarify, Mr. Elmquist, we did not sell,
4 but we entered into an agreement to sell, based on a
5 note that was to be paid against those shares that were
6 collateralized.

7 Q. I am glad you mentioned that, because I think
8 you testified yesterday that this sale was conditional
9 upon payment. I think you testified yesterday that, in
10 your mind, these stock purchase agreements did not
11 effectuate an actual transfer of anything, because the
12 agreement somewhere provided for a right to get the
13 stock back from the buyer if the buyer didn't fulfill
14 the terms of the note obligation. Is that your
15 testimony?

16 A. Well, if I can expand on that testimony, these
17 transactions were entered into with parties that we
18 needed to assure that, if they did not pay, they would
19 render the stock back without litigation. So these were
20 called friendly party transactions.

21 Q. Well, does the stock purchase agreement -- I
22 couldn't find anywhere in this agreement -- After you
23 gave that testimony, Mr. Comu, I couldn't find anywhere
24 in this agreement or in the note, where it provides that
25 the buyer will return back or return to the seller the

1 stock if the note isn't paid. I mean where I would
2 expect to see something like that would be in either --
3 you know, some provision of the agreement or in the
4 default and remedy section of the note, but I can't -- I
5 read the entire document. I didn't see any reference to
6 that.

7 A. I would assume it should have been included in
8 the default and remedies; you are correct.

9 Q. So why do you believe that there was that right
10 if it is not in the agreement?

11 A. Well, if the -- I believe the verbal
12 conversation that was had with the three entities were
13 that, if they were unable to make payments to the
14 Barclay Group to satisfy the note, they would return the
15 securities back to us.

16 Q. Well, let me posit a hypothetical to you.
17 Let's assume the trustee is given the right to pursue
18 the collection of this note, because the Court finds
19 that this is an asset of the bankruptcy estate. So Ms.
20 Reed demands payment -- or demands return of the stock
21 that was issued to TKY Trust or Daptco Trust, because
22 they haven't made full payments on these notes. Are you
23 saying that the Daptco Trust and TKY Trust will return
24 that stock, based upon some verbal agreement they had
25 with you?

1 A. No, at the time that the TKY made payments and
2 Daptco made payments, they were the only two entities
3 that were making payments against the stock. At the end
4 of our attempts to sell those positions, there was a
5 final balance that left the position upside-down. So we
6 basically settled, saying that is all we are going to be
7 able to get for payment of this note, and we wrote the
8 note off.

9 Q. Okay. Let's talk about the -- again, before we
10 move on, going back to Exhibit 7, the copy of the stock
11 purchase agreement that I have has no signature for the
12 Barclay Group. Do you know why that is?

13 A. It must just be an unexecuted copy, but I would
14 countersign for the Barclay Group for this document. I
15 don't know why this one is only signed one sided.

16 Q. Well, it is also not signed -- okay. Let's see
17 here. You said it was your wife that signed on behalf
18 of Sunset Pacific on that purchase agreement, right?

19 A. Exhibit 6?

20 Q. Exhibit 6, that is your wife's signature on the
21 agreement?

22 A. Yes, for Sunset Pacific, that's correct.

23 Q. Is that also her signature on the note?

24 A. Yes, that's correct.

25 Q. Exhibit 7, purchase agreement for the TKY

1 Trust, again, has no signature by you?

2 A. By the Barclay Group.

3 Q. Is that right? And, if so, why is that the
4 case?

5 A. I think it might have been a document that we
6 received, and I didn't get a chance to countersign it
7 before the exhibit was produced for the trustee.

8 Q. The agreement is dated January 10, 2010. Are
9 you saying that you didn't sign at the time the
10 agreement was entered into?

11 A. I am saying that I believe this document that
12 was produced for you did not have my signature, but,
13 yes, the document was signed on that date.

14 Q. So what you are saying is you provided me with
15 a copy but not with a fully signed copy?

16 A. I may have provided you the copy that didn't
17 have both signatures on it, yes, sir.

18 Q. Okay. Do you recall my asking for signed
19 agreements?

20 A. Yes, and I was not able to find several
21 documents that were unsigned.

22 Q. Okay. The sale of the -- the sale to TKY Trust
23 of five million shares, that is basically for the same
24 consideration, a \$500,000 promissory note or basically
25 ten cents a share, right?

1 A. Yes, sir.

2 Q. And the payment terms are essentially the same?

3 A. I believe the promissory note was the same,
4 yes, sir.

5 Q. Quarterly payments of interest only until March
6 of 2015?

7 A. Yes, sir.

8 Q. What did you know, if anything, about the TKY
9 Trust at the time that you entered in this agreement to
10 sell the five million shares of stock to it? Did you
11 know anything about what assets it had or what its
12 ability to pay for the stock was?

13 A. I don't have any specific financial details. I
14 believe it was a new trust that was created in 2010.

15 Q. Let's take a look at Trustee's Exhibit 27. Do
16 you recognize that to be a copy of the TKY Trust
17 agreement?

18 A. I believe so.

19 Q. Do you recognize your brother's and your
20 mother's and Alan Burdette's signatures on the last two
21 pages?

22 A. Yes, sir.

23 Q. The asset that was contributed to the trust at
24 its formation was a single silver coin; is that right?

25 A. That's my understanding of Canadian law.

1 Q. Meaning that is what is minimally required to
2 create a trust?

3 A. I don't know the details of that.

4 Q. I have seen in other documents that that coin
5 was valued at \$30. Do you recall that?

6 A. I am sorry. I do not.

7 Q. If this trust was formed and it had a single
8 silver coin in it, how was it supposed to repay this
9 \$500,000 note?

10 A. Through the marketing and sales efforts of the
11 Barclay Group.

12 Q. What marketing and sales efforts?

13 A. Barclay Group was approached by several
14 syndicate groups that wanted to purchase stock, and we
15 created the syndicate selling organization and helped
16 manage the process and made sure the investors received
17 the certificates and the parties associated with the
18 transaction got paid.

19 Q. I am not following that. How does what Barclay
20 Group is doing to generate revenue provide income to TKY
21 Trust to pay the note?

22 A. TKY Trust purchased the stock, as did Sunset
23 Pacific and Daptco, under terms to pay for that stock
24 under a note. The only way they were going to pay for
25 that stock is if we can help facilitate the sales of

1 that stock.

2 Q. So what you are saying is, at the time this
3 agreement was entered into, it was contemplated the
4 stock that Sunset, TKY and Daptco purchasing was going
5 to be paid for by subsequent sales of that stock that
6 had been sold to them?

7 A. Correct, it is like selling it under terms or
8 selling it under a note.

9 Q. I am still looking for the terms in any of
10 these agreements or notes that specify that, Mr. Comu.
11 I am just not seeing it.

12 A. You mean --

13 Q. So is this all a verbal agreement?

14 A. No, sir, it is not, if you -- we could go back
15 to the exhibits.

16 Q. Sure. Help me find any reference to that in
17 these agreements, that being the contemplation that this
18 stock was being purchased with an intention to
19 subsequently resell it and pay for the note obligation
20 by resales of the note -- excuse me, resales of the
21 stock?

22 A. Your Section Seven of your exhibit.

23 Q. Section Seven of what?

24 A. Of the stock purchase agreement between the
25 Barclay Group and TKY Trust.

1 Q. There is no Section Seven?

2 A. In your binder, Section Seven of this binder.

3 Q. Oh, you mean Exhibit Seven?

4 A. Exhibit Seven.

5 Q. Yeah. I don't see anything here about resale.

6 A. Right here under the promissory note for
7 \$500,000 and then payment. They agreed to pay \$500,000
8 to the Barclay Group as consideration, and payments were
9 to be made quarterly.

10 Q. What does that have to do with selling the
11 stock? That is just payment terms?

12 A. Correct, this is the payment terms that they
13 were obligated to. The Barclay Group was going to
14 facilitate the marketing and sales efforts.

15 Q. Okay. All right. Did you know anything about
16 the assets of Daptco Trust at the time you entered in
17 the agreement to sell to it two million shares of stock?

18 A. No, sir, I did not.

19 Q. And these transactions were done roughly ten
20 days after your bankruptcy filing; is that right?

21 A. I believe that is when the stock was available
22 from the transfer agent and, in our mind, the
23 transaction was complete.

24 Q. Did you have -- prior to your filing, you knew
25 you were due to receive, through the Barclay Group, 30

1 million shares of Green Auto stock, correct?

2 A. Approximately. That was our intent.

3 Q. Okay. Had you, prior to your bankruptcy
4 filing, already had discussions with your wife and your
5 brother about the Barclay Group selling, to Sunset
6 Pacific and the trusts, the stock, pursuant to these
7 stock purchase agreements?

8 A. No, sir.

9 Q. So when did you first have discussions with
10 them about that?

11 A. I believe in 2010, at the beginning of 2010.

12 Q. Okay. So basically, I mean, you filed your
13 bankruptcy 12/31/09, and between then and January '10
14 you had discussions with them and entered into these
15 agreements to sell this stock; is that right?

16 A. Approximately, yes, sir.

17 Q. Did you confer with anyone like Mr. Olson about
18 doing these transactions before you did them?

19 A. I am not 100 percent certain exactly my
20 conversations with Mr. Olson. I did speak to Mr. Brown
21 to receive his approval to do these transactions.

22 Q. I am talking about your bankruptcy attorney.
23 Did you talk with him about whether or not this was
24 appropriate?

25 A. I don't recall if I did or not. I am sorry.

1 Q. All right. After these sales, the next
2 significant transaction involving Green Auto stock held
3 by the Barclay Group was the Eurocap share exchange,
4 right?

5 A. Yes, sir.

6 Q. I take that back. Before you got in -- before
7 you did the share exchange, you had -- the Barclay Group
8 had commenced selling to individuals blocks of shares of
9 Green Auto; is that right? Because that was done
10 starting in June of 2011?

11 A. I believe that is incorrect.

12 Q. All right. Well, take a look at Exhibit 44,
13 Trustee's Exhibit 44, and I will represent to you that
14 this is a stock transfer ledger that was created by
15 Old Monmouth stock transfer. Are you familiar with that
16 company?

17 A. Yes, sir, I am.

18 Q. Okay. And Old Monmouth's principal or
19 president, Mr. Matthew Troster, was examined by me and
20 by Mr. Lippe and Mr. Olson, I believe, in the summer of
21 2012, before my complaint and intervention was filed.

22 A. Yes, sir, I recall.

23 Q. And he provided this spreadsheet reflecting
24 transactions involving the sales of Green Auto stock by
25 the Barclay Group to the individuals named in this

1 document, and the first entry is on June 20, 2011. Do
2 you see that?

3 A. Yes, sir, I do.

4 Q. Okay. So do you still believe that the
5 individual stock sales -- or you still not believe that
6 the stock sales started in June of 2011?

7 A. I believe that's correct. I thought I
8 overheard you say a different year.

9 Q. Oh, okay. Now, June 2011 and, according to
10 this, this spreadsheet, the last transaction that is
11 listed is January 4, 2012. Do you see that?

12 A. Yes, sir.

13 Q. This ledger also shows a total amount received
14 through those sales, under the amount received column;
15 do you see that? If you take a look at the very last
16 page of this document, it is in the first column. It is
17 hard to deal with but -- (Inaudible) unwieldy. Take a
18 look at the very last page. It is almost all blank,
19 except there are numbers right at the top.

20 A. Yes, I see it.

21 Q. If you follow those columns to the beginning,
22 the headings aren't on the last page, but if you follow
23 those columns from the beginning, you will see that is
24 the amount received. Do you see that?

25 A. Yes, I see that.

1 Q. And so the total amount received by the Barclay
2 Group through these sales is \$2,839,857; is that right?

3 A. Well, unfortunately, that is not exactly
4 correct.

5 Q. Well, that is, in fact, the price at which the
6 Barclay Group sold the shares, right? I am not saying
7 that all the cash went into Barclay Group's hands, but I
8 am saying that is the gross amount that the stock was
9 sold for, correct?

10 A. Yes, sir, that's correct. That was the gross
11 amount that the transfer agent received, not the Barclay
12 Group.

13 Q. But the transfer agent received it on behalf of
14 the Barclay Group for the sales of Barclay Group stock,
15 correct?

16 A. Correct, but it went to the transfer agent's
17 account, acting as the escrow for the Barclay Group,
18 yes, sir.

19 Q. And then the moneys were disbursed on each
20 transaction, per your instructions, correct, your or
21 Mr. Baxter's or someone working for you, their
22 instructions, right?

23 A. They were instructions that were discussed with
24 Mr. Brown, and then instructions were written by either
25 Mr. Baxter or Mr. Parsley or maybe even myself.

1 Q. But they all came on instructions from someone
2 acting on behalf of the Barclay Group?

3 A. Yes, sir, that's correct.

4 Q. Okay. Now, I want you to take a look at
5 Exhibit 47. This is similar to the last exhibit we were
6 just looking at. This is a ledger that was prepared,
7 and I will so represent from Mr. Troster's examination,
8 this is an Old Monmouth business record reflecting sales
9 of stock, of Green Auto stock, owned by Daptco Trust,
10 that were sold through Old Monmouth acting as stock
11 transfer agent and escrow agent. You understand that
12 sales of stock of Green Auto owned by Daptco Trust were
13 sold in that manner?

14 A. Yes, sir.

15 Q. And does this spreadsheet reflect -- well,
16 first of all, I think you earlier testified that the
17 trustee of Daptco Trust is your brother?

18 A. That's correct.

19 Q. But instructions with respect to the sales
20 reflected on Exhibit 47 were sent to Old Monmouth by the
21 Barclay Group on behalf of the trust; is that right?

22 A. Yes, sir, the trust would sign off, and then we
23 would forward their instructions to the transfer agent.

24 Q. And the total amount of the sales and the
25 moneys received by the escrow agent with respect to

1 sales of Green Auto stock owned by the Daptco Trust, was
2 \$211,205; is that right?

3 A. Yes, sir, that's what it shows.

4 Q. Okay. And then some portion of that amount
5 went towards payment of the \$500,000 note that was
6 payable to the Barclay Group; is that right?

7 A. That's correct.

8 Q. Do you recall about how much was paid?

9 A. I am sorry. I don't.

10 Q. Is there -- but you are saying that all the
11 payments that the Barclay Group will ever receive have
12 been received and that the balance of the note has been
13 written off; is that your testimony?

14 A. That's correct, yes, sir.

15 Q. And tell me again why the Barclay Group wrote
16 off the balance of the note?

17 A. There was no further market left to sell the
18 stock, and subsequently the selling groups were not able
19 to move the stock, so it became an illiquid transaction,
20 and Daptco was unable to pay the balance, so we, as any
21 business owner, wrote the difference off.

22 Q. But, even though the note says absolutely
23 nothing about the sales of Green Auto stock as being the
24 sole source of payment on the note, you wrote the note
25 off?

1 A. I will have to check with the accounting at
2 that time, but there was discussions regarding how it
3 was handled at the very end.

4 Q. Okay. I have one more ledger to show you. It
5 is Exhibit 50. This is similar to the first two ledgers
6 we looked at, Mr. Comu, and this is a ledger that was
7 prepared with respect to sales of Green Auto stock held
8 by TKY Trust. Do you see that?

9 A. Yes, sir.

10 Q. And this, again, was stock sale transactions
11 that were done, with Old Monmouth acting as transfer
12 agent and escrow agent and conducting sales of stock to
13 private individuals in accordance with instructions they
14 had received from the Barclay Group, after
15 authorization, you say, from TKY Trust; is that correct?

16 A. That was a long question. Sorry, Mr. Elmquist,
17 if you can repeat that.

18 Q. Let me break it down.

19 A. Thank you.

20 Q. So first of all, this, like other transactions,
21 were being handled by Old Monmouth as escrow agent and
22 stock transfer agent?

23 A. That's correct.

24 Q. And sales were made to individuals as reflected
25 on this spreadsheet of Green Auto stock held by TKY

1 Trust, correct?

2 A. That is correct.

3 Q. And the stock was sold in the gross sum of
4 1,033,882.95; is that right?

5 A. That was the gross amount, yes, sir.

6 Q. Okay. And some portion of that sum went
7 towards payment of the TKY Trust \$500,000 note; is that
8 right?

9 A. That is correct, yes, sir.

10 Q. Do you know how much went towards the payment
11 of that note?

12 A. I do not know offhand.

13 Q. Are there some records that would reflect that?

14 A. I believe they were provided through the
15 disclosure requirements you requested. I believe I saw
16 a two- or three-page document.

17 Q. So the information we received with respect to
18 the payments made on the notes is all the payments that
19 have or ever will be made; is that right?

20 A. To the best of my recollection, yes, sir.

21 Q. Because the notes -- because this note, the TKY
22 Trust note, \$500,000 note, has likewise been written
23 off?

24 A. Whatever balance of the 500,000, less the
25 payments we received, would have been written off, yes,

1 sir.

2 Q. Okay.

3 Q. Mr. Comu, as of today what are the assets of
4 the Barclay Group?

5 A. I am sorry. I don't know offhand. I could
6 certainly try to find you a financial report.

7 Q. Can you describe, in general terms, what the
8 Barclay Group owns?

9 A. We may hold equity in companies.

10 Q. Do you still own Green Auto stock?

11 A. I believe we do, yes, sir.

12 Q. Do you know how much?

13 A. I am sorry. I do not have an exact number.

14 Q. All right. You have a claim in a pending -- I
15 say, not you, but Barclay Group has a claim in a pending
16 stockbroker insolvency proceeding; is that right?

17 A. That is correct.

18 Q. And that is based upon what they commonly call
19 Westor Capital?

20 A. That's correct.

21 MR. ELMQUIST: And Westor Capital has a
22 case pending which, Your Honor, is reflected in
23 Trustee's Exhibit 950, under Case Number 13-1331.

24 Q. Why don't you take a look at that, Mr. Comu?
25 Are you there?

1 A. Yes, sir.

2 Q. Do you recognize Exhibit 90 as being a claim
3 form that you completed and submitted in the Westor
4 proceeding on behalf of the Barclay Group?

5 A. Yes, sir.

6 Q. And in that claim you are indicating that
7 Westor owes the Barclay Group 37,993.84. What does that
8 pertain to?

9 A. I believe that pertains to our first initial
10 sale of our free trading position in Green Auto stock,
11 and I believe that was at the beginning of 2013. I am
12 not certain exact date.

13 Q. So the Barclay Group sold to -- or opened a
14 brokerage account with Westor?

15 A. That's correct.

16 Q. And Westor was supposed to sell -- well, how
17 many shares of stock were delivered or put into the
18 Barclay Group account with Westor?

19 A. I am guessing one million shares.

20 Q. Does the claim reflect -- well, there is two
21 portions of the claim, right, a money amount and then
22 the stock that it received, right?

23 A. The securities, yes, sir.

24 Q. And those securities are Green Auto --
25 certificates for Green Auto shares, right?

1 A. Free trading shares, yes, sir.

2 Q. How many free trading shares are shown on the
3 claim form that you submitted?

4 A. On this Document, 991,900.

5 Q. So those are -- That is 9919 -- say the number
6 again.

7 A. 991,900.

8 Q. Okay. So those shares are shares that were
9 issued to the Barclay Group and are now in the
10 possession of the Westor Liquidating Trust (Inaudible)?

11 A. That's my understanding.

12 Q. And have you heard anything about that, from
13 the standpoint of what recovery might be received by the
14 Barclay Group, with respect to the shares or the money
15 that Westor is holding?

16 A. I have written them email correspondence and
17 copied my attorney, asking them when the funds and the
18 securities would be returned, and I have requested they
19 be returned to Mr. Olson's office pending further
20 discussions about this case.

21 MR. ELMQUIST: All right. Your Honor, I am
22 about to wrap it up here, but I lost track of a couple
23 of exhibits I need to locate, them being the Barclay
24 Group tax returns. I had them marked but now I am not
25 finding them.

1 (Inaudible discussion)

2 Q. Okay. Here we go. I found them already.

3 Excuse me.

4 Okay. Mr. Comu, again, in the notebooks in
5 front of you there, I would like you to take a look
6 at -- Let's start with Trustee's Exhibit 16. Confirm
7 for me that this is the copy of the 2008 -- I am asking
8 about Trustee's Exhibit 16, and I am asking you to
9 confirm that this is a copy of the tax return that you
10 authorized be filed on behalf of the Barclay Group for
11 that year.

12 A. It appears to be, yes.

13 Q. Okay. And this return reflects total taxable
14 income of \$71 at Line 30, right?

15 A. Yes.

16 Q. Now, if you will flip to Exhibit 17, we see
17 gross income of \$209,930 and a loss for the year of
18 \$37,139. Do you see that?

19 A. Yes, I do.

20 Q. Now, we jump to 2010, and this would have been
21 the year that the Barclay Group received the 31 million
22 shares of Ganas or Green Auto stock, and we have gross
23 receipts or sales of 2,366,775, right?

24 A. Yes, sir.

25 Q. But you are also showing \$2,307,779 in -- I am

1 sorry, looking at the wrong line, \$2,324,571 in
2 deductions; is that right?

3 A. That's what it shows, yes, sir.

4 Q. If you will turn to the fourth page from the
5 back that is entitled Federal Supporting Statements,
6 Form 1120, Page One, let me know when you are there.

7 A. I am here.

8 Q. It shows consulting fees paid of \$2,137,733.
9 Do you see that?

10 A. Yes, I do.

11 Q. I asked you if the Barclay Group issued -- I
12 asked your tax accountant if any 1099s were issued with
13 respect to the fees that were paid, and he said, no,
14 there is no record of to whom these consulting fees were
15 paid to. Is that your understanding?

16 A. I can't verify that. I have a chief financial
17 officer, a controller and an accountant, so usually one
18 of those people should be responsible for 1099s.

19 Q. I have examined all three of them, and no one
20 can tell me --

21 A. All right.

22 Q. -- who received this \$2,137,000. So as we sit
23 here today, can you tell the Court who testified that
24 \$2 million in consulting fees?

25 A. I can't tell you specifically, but I can tell

1 you where to look to find that information.

2 Q. Tell me in general terms who you think all that
3 money went to.

4 A. The selling agents that were selling the Green
5 Auto stock through Old Monmouth transfer agent.

6 Q. Okay. How much of that two million did you
7 receive, either directly or through a company you own?

8 A. I believe zero is the answer.

9 Q. You believe zero?

10 A. Yes, sir.

11 Q. Okay.

12 A. I had nothing to do with any of the selling
13 agents. I did not participate in any of their fees.

14 Q. Now, wait a minute, Mr. Comu. We can get into
15 the specific documents, and we will, I guess, in closing
16 if we need to. But the transactional records I have
17 seen shows the Barclay Group receiving payments on every
18 one of those transaction, just not for full gross
19 proceeds, correct?

20 A. I believe you asked me if I, CJ Como, received
21 any of those payments, and the answer is, no, sir, I did
22 not.

23 Q. Okay. But the Barclay Group received in that
24 year -- You don't believe this figure of
25 two-million-three-thirty-six is inaccurate with respect

1 to income received, do you?

2 A. No, sir, that figure is correct.

3 Q. But what you are saying is the lion's share of
4 the consulting fees that were paid were paid to these
5 facilitators that handled the sales or located the
6 persons to sell the Green Auto stock to?

7 A. That's correct, and I was not part of that.

8 Q. This is like Worldwide Auric and those other
9 companies?

10 A. That is correct.

11 Q. Okay. Getting back to the question I was
12 asking earlier, we have got a claim -- the Barclay Group
13 has a claim in the Westor liquidation proceeding for the
14 stock, Green Auto stock, that is being held by the
15 liquidating trustee and the \$37,000 for stock sold,
16 correct?

17 A. Yes, sir.

18 Q. What other significant assets come to mind in
19 terms of property that the Barclay Group owns today?

20 A. I believe we have securities and perhaps a
21 variety of company transactions that are potentially
22 illiquid.

23 Q. Does it have any cash in the bank?

24 A. It has some cash in the bank.

25 Q. Let me ask you this: Are you actively doing

1 business these days by and through the Barclay Group, or
2 are you conducting business transactions principally
3 through Regus Advisors or some other investment company?

4 A. We are maintaining Regus Advisors as our
5 primary operating business for financial restructuring
6 and advisory work, but we are keeping the Barclay Group
7 open, because it has been open as a corporation for over
8 ten years now.

9 Q. But from the standpoint of ongoing business
10 activities, essentially dormant, is that right?

11 A. For basically operating business these days,
12 yes, the (Inaudible) Group has very little business it
13 is operating in.

14 Q. All right. One last area of questioning, Mr.
15 Comu. Your wife, Phyllis, has received a number of
16 payments from the Barclay Group and Sunset Pacific, and
17 her testimony, when I examined her, she indicated that
18 that was in payment of compensation for administrative
19 services?

20 A. That's correct.

21 Q. What types of administrative services had to be
22 done for Sunset Pacific when it wasn't conducting
23 business?

24 A. Well, Sunset Pacific was looking for
25 opportunities, and part of her role and responsibility

1 in Dallas is she interacts with a lot of very affluent
2 people, and sometimes opportunities come her way, and
3 that is part of the business development that she
4 conducted.

5 Q. So the administrative work was basically
6 socializing with her friends?

7 A. I wouldn't say that.

8 Q. Sounds like what you said. All right. Now,
9 what about the Barclay Group; what administrative work
10 did she do for Barclay Group?

11 A. Well, I wouldn't call it administrative. I
12 would call it business development. Once again, her
13 circle of affluent people involve very, very, very
14 wealthy people, and she comes across people that may be
15 looking to buy a business or looking to sell a business,
16 and she will bring those referrals to our firm.

17 Q. Mr. Comu, the Barclay Group has -- The money
18 that the Barclay Group has had from time to time in its
19 bank account has been used to pay personal living
20 expenses for you and your wife, correct?

21 A. I would have to see what check you are
22 referring to, sir.

23 Q. All right. Well, let me direct you to one --
24 Let me tell you about it, see if you recall it, and then
25 we will get the document up if you need to see it. Back

1 in February of 2009 the Barclay Group was paying taxes
2 on the house you are living in, \$7,000. Do you have any
3 recollection of that?

4 A. I do not.

5 Q. What was -- From the filing of this case to the
6 present, what has been your principal source of income
7 to pay living expenses?

8 A. Well, I draw a compensation from Regus
9 Advisors.

10 Q. What about from the Barclay Group; do you
11 receive compensation from the Barclay Group?

12 A. I take compensation as it is appropriate. I
13 may take it out in the form of a loan and maybe take it
14 out in the form of fees. It may be taken out in the
15 form of expenses for travel and for business. It just
16 depends.

17 Q. Speaking of loans, other than these three
18 promissory notes we have been talking about, are there
19 any other debts in the way of loans, promissory notes,
20 whatever, that are payable to the Barclay Group by
21 anyone?

22 A. I would have to really look at the financials.
23 I am not certain. I can't recall off the top of my
24 head.

25 MR. ELMQUIST: All right. I am going to

1 pass the witness?

2 THE COURT: Mr. Olson?

3 MR. OLSON: I will reserve my questions. I
4 don't know if the plaintiffs have any more.

5 THE COURT: Well, they only get to go again
6 if you go.

7 MR. OLSON: I am not going to go until our
8 case in chief.

9 THE COURT: All right. Well, you will have
10 a chance to cross examine when he does his direct.

11 Before you take a seat, Mr. Comu, I have a
12 couple of questions that I want some clarification on.
13 There were questions about the Turkish Bank account that
14 you personally had --

15 THE WITNESS: Yes, ma'am.

16 THE COURT -- that is not on the bankruptcy
17 schedules. I just wanted to clarify when that was
18 disclosed to the bankruptcy trustee.

19 THE WITNESS: Your Honor, I believe when I
20 had my deposition taken, I think it was November
21 of 2013, and that question was asked to me. It actually
22 triggered a memory that I had this account sitting there
23 that I very rarely use, if ever, and I only use it to
24 exchange money currency when I visit Turkey, and I just
25 completely forgot that I had it sitting there. And I

1 told Mr. Olson right away.

2 I asked for my brother in Istanbul to get a
3 copy of it, because I had never seen a copy of the
4 statement, and I provided that to Mr. Olson, awaiting
5 instructions on what I should do next.

6 THE COURT: Okay. So in connection with
7 this particular adversary proceeding you were being
8 deposed in November 2013, and you got a question, and
9 that prompted you to reveal this bank account; is that
10 correct?

11 THE WITNESS: Yes, ma'am, that's correct.

12 THE COURT: Now, why would your brother
13 have information concerning this account?

14 THE WITNESS: Because his office was used
15 as the mailing address. I never received a statement
16 from there. And I asked him to look into it for me, and
17 he found a statement, and he goes, "Here it is."

18 THE COURT: All right. How do we know how
19 much money it had on December 31st, 2009?

20 THE WITNESS: I asked them to go back and
21 pull the oldest records they could, and whatever records
22 I gave to Mr. Olson. I asked for my brother's office to
23 contact the bank and pull as old records as they could
24 find, and whatever the oldest records I could find I
25 produced and gave to Mr. Olson.

1 THE COURT: All right. Does the Trustee
2 now have bank account statements from December -- well,
3 we don't know. You said whatever the oldest is?

4 THE WITNESS: Right. I don't believe there
5 was any activity in the account, except when I opened
6 it. I am guessing that it was \$5,000 when the account
7 was opened, and I have never made a withdrawal or a
8 deposit. It just sat there, so that when I go to
9 Turkey -- you have to have a bank to do currency
10 conversion into local currency. You can't just walk
11 into a bank. You have to have an account. Otherwise
12 they won't convert currency at par, without a premium.
13 So I just forgot that I had opened that account. I
14 don't even know what year.

15 MR. ELMQUIST: Your Honor, some months ago,
16 I guess about the time of this deposition, Mr. Olson
17 sent me a document reflecting the account statement. I
18 don't recall the date of the statement.

19 MR. OLSON: What we got was the balance in
20 the account in US dollars on three different dates, the
21 petition date and the date of the last banking day, and
22 there was a third date in there, and I don't remember
23 now if that was the date of the filing of the adversary
24 or the date of the deposition, but that is what we were
25 talking about over here. We will find that document,

1 but the trustee knows the balance in that account, and
2 it has not changed except maybe for conversion rates.

3 THE COURT: Well, you have seen it on three
4 different dates, it sounds like, seen the balance on
5 three different --

6 MR. OLSON: We have provided the trustee
7 the balance for three dates, yes.

8 THE COURT: Okay.

9 MS. HANKS: Did you guys forward that
10 document to us?

11 Your Honor, this account was discovered in
12 the course of some pretty expensive electronic
13 discovery, is what actually exposed a great deal of what
14 we learned in the course of this adversary, and that
15 question came from the plaintiffs, not in the trustee's
16 exam. When the trustee had asked the debtor about
17 foreign accounts, he always answered no, but when faced
18 with a document presenting his interaction with the
19 bank, he admitted it, and we still haven't seen any
20 records whatsoever reflecting that bank account or the
21 assets in it.

22 THE COURT: Why is that, Mr. Olson?

23 MR. OLSON: I think we sent that to Charlie
24 Floyd, just like the amended tax return and the
25 Continental payments, but I will find what we obtained

1 and what we forwarded.

2 THE COURT: All right. Well, that is mind
3 boggling to me, and if we have to allow further
4 examination after the plaintiffs have seen documents, we
5 will permit that.

6 Okay. Let me jump to something else. This
7 may be just idle curiosity more than anything else, but
8 Green Auto, what happened to the Chinese electric
9 concept?

10 THE WITNESS: Unfortunately, the company
11 was unable to obtain its US EPA and DOT inspection
12 certificate, which would allow it to be sold in the
13 United States as the first Chinese electric car in
14 America. And I believe there was some political
15 influences causing them not to get the certification.
16 And subsequently the company has shifted gears, but it
17 is an exceptional (Inaudible). It is just sad that it
18 is not running on the streets of Dallas, which I used to
19 drive.

20 THE COURT: So there was never, never the
21 ability to market in the US this car?

22 THE WITNESS: Well, they worked on it for
23 almost two years. There was an enormous amount of work
24 and investment that the company had to make to obtain
25 the certification, but they brought probably 40 or a

1 hundred cars to the United States, and they were used
2 for demo, crash testing, publicity. There was a lot of
3 work the company did.

4 THE COURT: How much money did Green Auto
5 get? The entity, how much money did it actually get?

6 THE WITNESS: From who?

7 THE COURT: From investors.

8 THE WITNESS: I don't know the exact
9 amount. I know the company has done several different
10 rounds of private financing outside of our efforts, so I
11 don't know the exact amount of paid in capital.

12 THE COURT: Just your efforts, how much of
13 your efforts -- what have your efforts generated for the
14 company?

15 THE WITNESS: I believe we provided almost
16 over a million dollars in paid-in capital, in equity.

17 THE COURT: Okay. So I was looking at
18 these numbers of the Monmouth stock ledger.

19 THE WITNESS: Yes, ma'am.

20 THE COURT: I have to go back to my notes.
21 2,839,000 shown that Monmouth sold to TBG, the Barclay
22 Group, Green Auto shares. 2,839,000 is what was
23 received, and another 211,000 was received that the
24 Daptco owned Green Auto shares, and then another
25 1,033,882 received for the TKY Trust Green Auto shares,

1 and that is over \$4 million right there.

2 THE WITNESS: That's correct.

3 THE COURT: Where did that money go?

4 THE WITNESS: Well, the \$4 million gross
5 went to the transfer agent, and that was sale of
6 restricted stock at a deep discount to accredited
7 investors, of which approximately \$200,000 -- sorry,
8 20 percent of that came back to the Barclay Group with
9 respect to its selling agency. But that was to stock
10 that the Barclay Group owned, not the stock that Green
11 Automotive owned. Green Automotive sold their stock
12 through a registered offering memorandum to
13 institutional investors.

14 THE COURT: All right. Well, what I guess
15 I am getting at is: These people buying Green Auto
16 stock, do they not have an expect -- well, I guess you
17 are -- do they have an expectation their money is being
18 invested in Green Auto?

19 THE WITNESS: No, their money is not going
20 to Green Auto. It is going to the transfer agent who is
21 selling the shares of the Barclay Group that is fully
22 disclosed in advance, but they are buying the shares at
23 a discount from us, instead of buying it at the market
24 from the company.

25 THE COURT: The Barclay Group gave what to

1 the Green Auto entity?

2 THE WITNESS: We have two separate
3 transactions. We, acting as the investment banking
4 advisor group, put the transaction together and had
5 separate group of investors invest directly in Green
6 Auto, the company, thus a separate transaction.
7 Simultaneously the Barclay Group had its own shares that
8 we owned in Green Auto, which we are free to sell to
9 anybody that we want, and several selling groups lined
10 up to sell those shares directly to their clients at a
11 discount. So two separate transactions. Funds were
12 going to Green Auto, and then shares that we owned free
13 and clear that we were able to dispose of at whatever
14 price or negotiation that we chose to do.

15 THE COURT: It just seems like a lot of
16 people got a lot of money, except Green Auto didn't get
17 that much money, and its products never got off the
18 ground in the US. What am I missing?

19 THE WITNESS: You are not missing anything
20 at all. Investors speculate in penny stocks by trying
21 to buy them at a discount to bet --

22 THE COURT: When did things go off the rail
23 with Green Auto?

24 THE WITNESS: Well, their company is still
25 moving, and they did three million shares they traded

1 yesterday. They are making great announcements. Their
2 website is thriving.

3 THE COURT: I am wondering what is
4 happening with the product. A lot of investors are
5 investing in this, but what is happening with the
6 product?

7 THE WITNESS: That's correct. I am one of
8 those shareholders, and we are also concerned that we
9 can't seem to get these electric cars out on the road,
10 like Tesla and the Nissan and the Mitsubishi.

11 THE COURT: I know all about Tesla and
12 Nissan.

13 THE WITNESS: Right, right.

14 THE COURT: Tesla is going bankrupt
15 actually.

16 THE WITNESS: It sure is. The stock is the
17 success story of Wall Street.

18 THE COURT: I am talking about the product.

19 THE WITNESS: The car is an exceptional
20 car.

21 THE COURT: I have seen Teslas driving down
22 the street.

23 THE WITNESS: Exceptional car.

24 THE COURT: Okay. Let me ask: Do I
25 understand you are the only member of the board of

1 directors at Barclay Group?

2 THE WITNESS: Mr. Brown is the controlling
3 shareholder, and I believe I am the sole director.

4 THE COURT: So I guess it is fair to say
5 there aren't really board meetings, because you are the
6 only person to meet with?

7 THE WITNESS: Well, I report to Mr. Brown
8 and advise him and seek his approval before I do
9 anything that would change the capital structure of the
10 company.

11 THE COURT: All right. Is there a
12 corporate document anywhere?

13 THE WITNESS: If I have it, I believe it
14 may have been turned over to the Trustee, the binder.

15 THE COURT: You don't know, yes or no?

16 THE WITNESS: I am not certain. The
17 company was started back in the late '90s.

18 THE COURT: Okay. Well, are minutes of
19 your meetings with Mr. Brown kept?

20 THE WITNESS: Only ones that are relevant
21 to have recorded as a board minute, yes, but otherwise
22 they are just conversations.

23 THE COURT: Who keeps those minutes?

24 THE WITNESS: I would presume I would have
25 them.

1 THE COURT: But, yes or no, do you
2 actually keep minutes?

3 THE WITNESS: Oh, yes, I would. I would
4 keep whatever minutes that we were supposed to have,
5 yes.

6 THE COURT: Do you write them; do you type
7 them?

8 THE WITNESS: Probably both, it depends on
9 the circumstance.

10 THE COURT: Okay. Again, where are they?

11 THE WITNESS: They would be in our office.

12 THE COURT: Your office. Well, were they
13 subject to the document request?

14 THE WITNESS: Oh, yeah.

15 MR. ELMQUIST: They were, Your Honor,
16 absolutely. There were no minutes.

17 THE COURT: Okay. So --

18 THE WITNESS: Whatever they were, we would
19 have disclosed. I don't have ready access to the file.
20 I have not looked in it in a long time.

21 THE COURT: You got a document request --

22 THE WITNESS: Absolutely, yes, ma'am.

23 THE COURT: -- to produce them?

24 THE WITNESS: Yes, ma'am.

25 THE COURT: And they are saying you didn't

1 produce them, or do they exist or not?

2 THE WITNESS: If they existed, I would have
3 produced and delivered them, but I can't locate them.

4 THE COURT: They didn't get them, so is it
5 fair to assume they don't exist?

6 THE WITNESS: I am sorry, Your Honor. I
7 don't have the answer, because if I had the documents, I
8 would turn them over. I don't really readily know
9 exactly where they are. I know where my files are, like
10 for record business keeping, but I would have to look to
11 see if there is anything that I haven't produced for the
12 Court.

13 THE COURT: Where would they be?

14 THE WITNESS: In my office in Dallas,
15 Texas.

16 UNIDENTIFIED MAN: Unbelievable.

17 THE COURT: In a file cabinet, on a shelf,
18 in a file on your desk?

19 THE WITNESS: Probably in a file cabinet,
20 yes, ma'am, in a file cabinet, I am guessing. As I
21 said, I have not looked for any Barclay Group related
22 documents except for financial information.

23 THE COURT: But they requested them in
24 connection with --

25 THE WITNESS: And I gave whatever I had,

1 Your Honor. I gave whatever I had.

2 THE COURT: Okay. You have shareholder
3 consent for different actions taken by Barclay?

4 THE WITNESS: We have not used a
5 shareholder consent at all, except for the share
6 exchange done in 2006, I believe.

7 THE COURT: All right. You are excused
8 from the witness stand for now.

9 MR. ELMQUIST: In light of your questions,
10 can I ask a couple of questions?

11 THE COURT: Well, I guess I should allow
12 redirect from any lawyer who has some follow-up on my --

13 MR. ELMQUIST: Only because I think you
14 have been left with a misunderstanding or misimpression
15 about Green Auto.

16 REDIRECT EXAMINATION

17 Of CJ Comu by Mr. Elmquist:

18 Q. Is Green Auto right now engaged in another
19 business line?

20 A. Is Green Auto engaged in a different business
21 line?

22 Q. Yes.

23 A. It appears to be, from the press releases that
24 I have read.

25 Q. They are trying to sell and market green buses,

1 right?

2 A. I believe they are bringing electric buses
3 right now, yes.

4 Q. And based upon press reports, they seem to be
5 having some success in them?

6 A. They show some record of sales is what they are
7 reporting.

8 Q. Did I not, on behalf of the Trustee, request
9 all of the business records, all the minutes, everything
10 conceivable related to corporate business activities and
11 affairs of the Barclay Group?

12 A. Absolutely, yes, you did.

13 Q. And you believe you turned over everything that
14 you could find relating to the Barclay Group?

15 A. Absolutely, yes, sir, I did.

16 MR. ELMQUIST: I can tell the Court, as an
17 officer of the Court, I did not receive one board
18 minute. There is no minutes of board meetings. There
19 is no minutes of meetings of shareholders, directors,
20 nothing. The corporate book is empty with respect to
21 the recording of any kinds of meetings.

22 THE COURT: All right. Anyone else have a
23 redirect on the Court's questions, just follow-up on the
24 Court's questions, if any?

25 MS. HANKS: I don't, Your Honor. I did

1 want to -- Given the Court's questions, I would like to
2 refer you to a couple of our exhibits which have some of
3 the more current Green Auto financial disclosures, which
4 do describe the business.

5 THE COURT: Okay. What exhibits are those?

6 MS. HANKS: Exhibits -- there is a -- well,
7 they span the relevant time period, to give you some
8 context. It is KLM Exhibit 149. That is one of the
9 pink sheet disclosures from the end of 2009.

10 THE COURT: Okay.

11 MS. HANKS: Then there is Exhibit 150,
12 which is Green Auto's form 10K from December 31, 2012.

13 THE COURT: Okay.

14 MS. HANKS: And 151 which is their 10Q from
15 March 31st, 2013.

16 THE COURT: All right. Thank you so much.

17 All right. Mr. Comu, you are excused for
18 now. It sounds like you are going to be recalled
19 tomorrow or Friday.

20 We will take a ten minute break, and then
21 you are going to call Ms. Comu?

22 MR. VITAL: Ms. Comu, yes, ma'am.

23 THE COURT: All right. Ten minutes.

24 (Recess from 3:48 to 4:02)

25 THE COURT: All right. Please be seated.

1 Back on the record in King Louie Mining versus Comu.

2 Plaintiffs may call your next witness.

3 MR. VITAL: Yes, Your Honor, plaintiffs
4 call Phyllis Comu.

5 THE COURT: All right. Ms. Comu, we need
6 you to come to the witness stand and raise your right
7 hand. The court recorder will swear you in.

8 (Witness sworn.)

9 MR. VITAL: May I proceed, Your Honor?

10 THE COURT: You may.

11 MR. VITAL: Thank you kindly.

12 PHYLLIS COMU,
13 Having been duly sworn, testified as follows:

14 DIRECT EXAMINATION

15 By Mr. Vital as follows:

16 Q. Ms. Comu, we have never met before?

17 A. Hello.

18 Q. Hello. Do you recall when your husband filed
19 his bankruptcy case?

20 A. Yes.

21 Q. That was December 2009?

22 A. Yes.

23 Q. As you recall?

24 A. Yes.

25 Q. Now, at the time or during the month or in that

1 same month when he filed that bankruptcy case, you and
2 your husband actually took a cruise; is that correct?

3 A. Yes, sir.

4 Q. Do you recall where you all went?

5 A. No.

6 Q. Was it to the Caribbean somewhere?

7 A. Uh-huh.

8 Q. You have to say yes.

9 A. Yes. I don't remember specific destinations
10 but, yes, Caribbean.

11 Q. And the reason I said you have to say yes is
12 because we have to take down verbal answers. I
13 understood what you were saying just fine.

14 A. Yes, sir.

15 Q. Do you recall how that trip was paid for?

16 A. We put it on a credit card.

17 Q. Was it an American Express card, right?

18 A. Probably.

19 Q. And is it correct or fair, if you know -- if
20 you don't, you can tell me that -- the American Express
21 card that was used to pay for that trip was not
22 disclosed to this bankruptcy court?

23 A. I do not know.

24 Q. Okay. How much money did you all spend on that
25 credit card during that trip?

1 A. I can't recall.

2 Q. A hundred dollars?

3 A. I do not know.

4 Q. Could it have been 5,000, 10,000?

5 A. What was the question, what we paid for the
6 cruise?

7 Q. How much money you spent during the trip.

8 A. I am uncertain. It was a long time ago.

9 Q. Have you seen the bankruptcy schedules and the
10 statement of financial affairs in this case?

11 A. I am not sure what those are.

12 Q. Okay. Oh, I see. It's the one with the
13 magnifying glass with the plus symbol.

14 THE COURT: Tricky that way, isn't it?

15 MR. VITAL: My daughter says she can
16 probably operate this machine better than me.

17 Q. So have you ever seen this document before?
18 This is Trustee Exhibit 95.

19 A. Not that I recall.

20 Q. So what I will tell you is that on this
21 document there is income for an employment or operation
22 of business reflected on this document. Do you see
23 where I just read from?

24 A. Yes.

25 Q. And for 2009 it lists, for the debtor, \$20,000

1 for 2009 from the Barclay Group. Do you see that?

2 A. Yes.

3 Q. Now, just from your own recollection from 2009,
4 the life-style that you and Mr. Comu lived in 2009 is
5 way in excess of an annual income of \$20,000; is that
6 right?

7 A. I am not sure.

8 Q. Have you ever said that before, maybe in a
9 deposition or at some point in this case, that you and
10 Mr. Comu lived a lifestyle that was far in excess of the
11 income reflected a year, \$20,000?

12 A. Is that \$20,000 a year?

13 Q. You see it says 2009, \$20,000. Did I read that
14 right, gross income?

15 A. Yes, uh-huh.

16 Q. So my question is, understanding that this says
17 2009, \$20,000 in gross income, and that is attributable
18 to the Barclay Group, that is not fairly reflective of
19 the lifestyle that you and Mr. Comu lived in 2009, is
20 it?

21 A. Probably not. I am not sure.

22 Q. Okay. Do you remember giving a deposition in
23 this case?

24 A. I have had two depositions.

25 Q. One of the depositions you gave in this case

1 was on August 27th, 2013; is that right?

2 A. Yes, sir.

3 Q. Examination by Mr. Hanks?

4 A. Yes -- no, no.

5 Q. I didn't mean anything by it. I was looking at
6 our client. It was an examination by Ms. Hanks; is that
7 right?

8 A. Yes.

9 Q. So what I am going to do, just for everybody's
10 convenience, is I am just going to put this document
11 under here, so everybody can take a look at what I am
12 looking at, and I am going to do the reading here.

13 And there is a question by Ms. Hanks, and
14 she says, "Does it seem right to you that in 2008 your
15 husband grossed \$27,693 per year?"

16 And you answered, "I don't know what my
17 husband made that year."

18 Then you were asked -- I am just going to
19 skip down here to the relevant question, Page 102, Line
20 Six, "If CJ's income for the years 2008 and 2009 are
21 between 20,000 and \$30,000 per year, do you think that
22 is enough money to sustain the kind of lifestyle that
23 the two of you had in those two years?"

24 And your answer was what? It is on the
25 screen, Line Ten.

1 A. I said yes.

2 Q. No, no, Line Ten.

3 A. Line Ten?

4 MS. HANKS: It is not showing up on the
5 screen.

6 Q. Oh, I am sorry. It has got the right --

7 MS. HANKS: There you go.

8 Q. Look at Line Ten. Your answer was?

9 A. No.

10 Q. And you saw -- I didn't have the question -- I
11 didn't have the question on the Elmo, so you see the
12 question that I just read from, right?

13 A. Yes, sir.

14 Q. And your answer to that was no?

15 A. I was probably just trying to think logically.
16 I don't know where my mind was at at that point.

17 Q. At this point?

18 A. No, at that point.

19 Q. Okay.

20 A. Or this point. I have had a rough day.

21 Q. So but the deposition that you gave, this is a
22 logical question, was closer in time to 2009 than today
23 is; is that correct?

24 A. Yes, sir.

25 Q. And you understand that when you gave this

1 testimony that you were under oath?

2 A. Yes, sir.

3 Q. And I don't know if it was explained to you,
4 but the testimony under oath at a deposition has the
5 same force and effect as if you were testifying to this
6 Judge, as you are right now?

7 A. Yes, sir.

8 Q. And you respected that process when you said
9 no, didn't you, right?

10 A. Obviously.

11 Q. Yes, ma'am. So through the transcript that I
12 just read to you, we actually got an answer, I believe,
13 to the next question, but I will ask it anyway.

14 In 2008, go back to the schedule or the
15 statement of financial affairs, says that the income
16 from employment or operation of business for 2008 was
17 \$27,693, and that was attributable to Sun Sports and
18 Entertainment. Do you see that?

19 A. Yes, sir.

20 Q. Now, again, especially in light of the
21 testimony we just saw in your deposition, for the
22 record, as a substantive answer, I am going to ask you
23 that that number is not fairly reflective of the
24 lifestyle that you and Mr. Comu lived in 2008, is it?
25 It is not.

1 A. I am not sure.

2 Q. Okay. But you were sure enough in 2008 to
3 answer no to that question? Do you see that on the
4 screen?

5 A. Yes.

6 Q. Let's take a look at the schedules in this
7 bankruptcy case. Have you seen Trustee Exhibit 94
8 before today?

9 A. Possibly.

10 Q. This document schedules or purports to schedule
11 a lot of information. The schedule that I would like to
12 take a look at, that is towards the end of this
13 document, and it is a schedule reflecting current
14 income. Can you see that good enough, or should I
15 expand this and maybe zoom in? Can you see that?

16 A. Yes.

17 Q. All right. So as of the filing of this
18 bankruptcy case, these schedules purport to reflect an
19 occupation for your husband as management consultant of
20 the Barclay Group. Do you see that, right there?

21 A. Uh-huh, yes.

22 Q. Yes, ma'am. And for you there is nothing
23 reflected; is that fair?

24 A. I don't see anything.

25 Q. Yeah. So from 2010 did you have employment?

1 A. Well, I have a company called Karma for Pets.
2 It is pet charms that I sell. And I did a little bit of
3 business development and charity work. That's all I
4 have ever done.

5 Q. So I think you have given testimony in this
6 case that the work for Karma for Pets did not generate
7 any income of any significance; is that right?

8 A. Correct.

9 Q. No more than a thousand dollars?

10 A. It was for fun.

11 Q. Okay. And the charity work, I am assuming that
12 that is not for profit, and you are just a volunteer?
13 You are not doing charity work for pay, are you?

14 A. I am on a few boards and committees and things
15 like that, that nature.

16 Q. But you don't take a salary for that?

17 A. No, sir.

18 Q. That is just volunteer work?

19 A. Right.

20 Q. So let's talk about the business development.
21 You said you do business development, and who is that
22 for?

23 A. Well, I would go to social events and meet
24 people and, you know, refer them to the Barclay Group.

25 Q. So you are a consultant for the Barclay Group?

1 A. Not that sophisticated.

2 Q. So what would you call it?

3 A. Just meet people who may want to buy or sell a
4 business or affluential (sic) people that are looking to
5 make investments.

6 Q. And I don't suppose you have -- or I know for a
7 fact, so let me just ask it this way: You don't have a
8 written agreement or contract for the performance of
9 that work, do you?

10 A. No, sir.

11 Q. Okay. The fact is that you don't have any
12 connection with the Barclay Group regarding the payment
13 of expenses or things of that nature; is that right?

14 A. Repeat the question.

15 Q. You don't have any connection with the Barclay
16 Group, for instance, regarding the payment of the
17 expenses or things of that nature for the Barclay Group,
18 do you?

19 A. I did not write any checks.

20 Q. Okay. But you receive checks from the Barclay
21 Group; do you know?

22 A. I did at one time, yes, sir.

23 Q. Okay. We will get to that in a second. Let me
24 ask you about Sunset Pacific. Sunset Pacific is an
25 entity. Is it a limited partnership or general

1 partnership, or do you know?

2 A. Well, back in 2006, just like my husband said
3 earlier, we made me 98 percent owner, only because we
4 just went to our financial adviser and attorney, and he
5 wanted to make some changes, dissolved our prenuptial
6 agreement, and we did a new will, and we just made some
7 changes and decided I should be 98 percent owner.

8 Q. I take responsibility for this. It may have
9 been my question, and so I apologize. But what I am
10 wanting to know is: Is it a general partnership or a
11 limited partnership?

12 A. Limited.

13 Q. Okay. And you just talked about a transfer of
14 interest to you; is that correct?

15 A. Yes.

16 Q. And what is your position or ownership status
17 within Sunset Pacific?

18 A. Just to look for investments, it is kind of
19 like just a little holding company, hasn't done much.

20 Q. Are you a partner?

21 A. Well, my husband owns one percent, and Marathon
22 Management owns the other one percent, and I am
23 98 percent.

24 Q. What kind of partner are you?

25 A. I am not quite sure.

1 Q. Okay. Now, this transfer, purported transfer
2 of ownership to you for a partnership, whatever type of
3 partnership that is, was done without you paying any
4 money of any kind; is that right?

5 A. Correct.

6 Q. Was it just -- it was just a gift, right? Is
7 that what your testimony is; it was just a gift to you?

8 A. Kind of just something for me to do, work on.
9 And incorporate my charity work, socializing with
10 people, kind of connecting people together.

11 Q. So if you didn't pay for it, that would make it
12 a gift; is that right?

13 A. I suppose, if you want to call it that.

14 Q. Tax returns have been asked for in this case.
15 Is it fair that there is no gift tax return for this
16 purported transfer or this purported gift of the
17 98 percent of whatever the partnership interest is to
18 you?

19 A. Will you repeat the question?

20 Q. There have been tax returns asked for in this
21 case. You just testified that you didn't pay anything
22 for the purported transfer of these interests to you.
23 My question is: Isn't it fair that there is no gift tax
24 return for this purported transfer of the 98 percent
25 interest to you, whatever that partnership interest is?

1 A. Well, I will say that we do file our taxes.

2 Q. Is there a gift tax return that perhaps I have
3 missed?

4 A. I am uncertain of that. Our accountant files
5 our tax returns.

6 Q. Do you know why -- or let me ask you this way:
7 You don't know why this purported transfer to you
8 happened, do you?

9 A. It was a long time ago. I just know that we
10 talked over with our financial adviser and our attorney,
11 did lots of things, dissolved our prenup, got a will,
12 and then created this new, you know, partnership, if you
13 wanted to call it that.

14 Q. Let me take you to your deposition testimony so
15 we can see what you said at deposition regarding the
16 transfer of this interest to you. There was a question
17 and it is here. I will start here.

18 "Okay. Is one of the reasons why it is --
19 it's curious to me that the entity was transferred
20 98 percent into your name, and I understand the purpose
21 of it is to make investments, but I guess I still don't
22 understand the reason for that change in 2006, I believe
23 it was, you said; is that right?

24 "Answer: Uh-huh, yes."

25 Have I read that correctly so far?

1 A. Yes.

2 Q. So the next question is -- He was saying speak
3 up, and you did. "I mean could you elaborate on that?
4 I mean -- I mean is this -- you mention something about
5 a holding company, you know. Was this -- was this
6 entity -- was this shift in an effort to protect assets
7 from a lawsuit, for example?"

8 And your answer was, "You could ask my
9 husband about that."

10 Did I read that right?

11 A. Yes, sir.

12 Q. The answer that you just gave to this Court
13 regarding the conversation with the tax consultant and
14 all of that was not your answer. Your answer was, "You
15 could ask my husband about that"? Did I read that
16 right? Is that what it says right there?

17 A. Yes, but there was nothing mentioned about
18 taxes in that paragraph. You brought up taxes just a
19 minute ago. That is why I brought up our accountant.

20 Q. So the accountant was which accountant?

21 A. Al Dahl.

22 Q. So if there was a gift tax return, that is who
23 we should have seen a gift tax return from Al Dahl?

24 A. I am not sure that it was given to me as a
25 gift.

1 Q. But you didn't pay for it, right?

2 A. I am not knowledgeable enough to answer that
3 question about would I have to pay for something like
4 that.

5 Q. Well, I mean you either paid for it or you
6 didn't. Did you pay for it?

7 A. No, sir.

8 Q. Okay. With respect to Sunset Pacific, you
9 don't have an employment agreement, do you?

10 A. No.

11 Q. And, in fact, you don't have an official title
12 in Sunset Pacific, do you?

13 A. No.

14 Q. You have never seen any corporate filings for
15 this entity that you claim to own 98 percent interest
16 in, have you?

17 A. What do you mean by corporate filings?

18 Q. Do you know what a corporate filing is?

19 A. Not necessarily.

20 Q. Okay. That answers my question. You perform
21 no management functions for Sunset Pacific, do you?

22 A. No, sir.

23 Q. In fact, you can't remember the last time you
24 did work for Sunset Pacific, can you?

25 A. No, I cannot.

1 Q. Now, Sunset Pacific has something to do with
2 your house on Palladium Drive in Preston Hollow; is that
3 correct?

4 A. I live in Addison.

5 Q. So I may have that wrong. Palladium Drive is
6 in Addison?

7 A. Yes, sir.

8 Q. Okay. Palladium Drive is a house that Sunset
9 Pacific has something to do with?

10 MR. OLSON: Objection.

11 A. Not that I know of.

12 THE COURT: There is an objection. Just a
13 moment. What was the objection?

14 MR. OLSON: It assumes facts not in
15 evidence.

16 THE COURT: The question again, okay, was
17 whether Sunset Pacific has something to do with
18 Palladium? That was the question.

19 MR. OLSON: Yes, Your Honor.

20 THE COURT: So I overrule the objection.

21 A. Not when I was married to CJ Comu. I mean I
22 don't know.

23 Q. Well, isn't it a fact that checks for rent that
24 are paid by the current tenant are to be paid to Sunset
25 Pacific?

1 A. No, they are paid to me.

2 Q. I understand that might be paid to you. My
3 question is a little different. My question to you is:
4 Are the checks to be made to Sunset Pacific?

5 A. The people who lease our home on Palladium make
6 their rent check monthly to Phyllis Comu.

7 MR. VITAL: Now, Judge, I will be referring
8 to KLM Exhibit 137.

9 THE COURT: Okay. (Inaudible) relevancy
10 objection.

11 MR. VITAL: I am looking to see if that has
12 been resolved. It has not, Your Honor.

13 THE COURT: Okay.

14 MR. VITAL: I assume it is the same
15 relevance objection I can give you --

16 MR. OLSON: Well, it may be -- I will have
17 to look it up.

18 MR. VITAL: Okay.

19 MR. OLSON: The objection is that it is not
20 relevant on the issue of the discharge. That's right.
21 I was looking to see if this was the tax return, but it
22 is not. This is the lease.

23 THE COURT: All right. This is the lease
24 agreement on the Palladium property dated August 1st,
25 2012. What is the relevance?

1 MR. VITAL: The relevance, Your Honor, is
2 that it is part of the continuation of the long-running
3 fraud, bankruptcy fraud, that the plaintiffs commit, I
4 believe, and I think are demonstrating was committed on
5 this Court, and the various schemes and structures that
6 took place from 2009 through the date of this lease
7 demonstrate that this house -- and we are glad to
8 connect this up in closing argument and supplemental
9 briefing, but I think we have already demonstrated that
10 this house at Palladium is able to be rented because of
11 the fraudulent or sham purchase of another home at Oaks
12 North that was paid for by Continental Partnership,
13 purportedly by Cem Comu, but, as we will argue and I
14 hope will demonstrate to this Court, is actually through
15 CJ Comu.

16 Because of that, the use of moneys from the
17 Barclay Group and other sources, particularly and
18 substantially from the Green Auto transaction, during
19 the administration of this bankruptcy case, this debtor
20 and his wife are able to, in essence, make money on this
21 property, which we deem and argue to be property of the
22 estate.

23 So this would particularly be relevant to
24 727(D)(2), because we believe that this property, the
25 rents therefrom, as well as the Continental Partnership

1 owned property are property of the estate that this
2 debtor is concealing through various obfuscation and
3 complex structures.

4 THE COURT: Mr. Olson?

5 MR. OLSON: Your Honor, this property is
6 exposed on Schedule A as a homestead. It is claimed on
7 Schedule C as exempt. The exemption was allowed. It is
8 no longer property of the estate, and they can do with
9 it as they please.

10 THE COURT: I am going to overrule the
11 objection and allow it.

12 MR. VITAL: So is it admitted, Your Honor,
13 137?

14 THE COURT: It is admitted, 137.

15 (Plaintiff's Exhibit KLM 137, offered and
16 admitted.)

17 MR. VITAL: Thank you very kindly.

18 Q. So 137 is -- KLM 137 is the residential lease
19 agreement, and this is for the Palladium Drive property.
20 Do you see that?

21 A. Yes.

22 Q. All right. Now, on the second page am I
23 reading this correctly, that the place of payment is to
24 the name of Sunset Pacific, LP?

25 A. Yes, but we changed it.

1 Q. Okay. But the document I have says Sunset
2 Pacific, LP; is that right?

3 A. Yes, sir.

4 Q. And 18208 Preston Road, Number 9314, is the
5 place of business for Sunset Pacific, LP?

6 A. Yes, sir.

7 Q. All right. Now, the fact is, Ms. Comu, the
8 check is -- the checks for rent at Sunset Pacific are
9 made to you personally, as opposed to Sunset Pacific as
10 an entity, because it is more convenience for you to
11 cash checks in your personal bank account versus having
12 to go to North Dallas Bank to cash a Sunset Pacific
13 check; is that right?

14 A. Correct. There is nothing fraudulent about any
15 of this check writing. I would not participate in
16 something like that.

17 MR. VITAL: Objection, move to strike
18 everything after the answer yes, Your Honor.

19 THE COURT: Sustained.

20 Q. Now, both the -- just so it is clear for the
21 Court, the Sunset Pacific limited partnership entity has
22 has a bank account at North Dallas Bank; is that
23 correct?

24 A. Yes, sir.

25 Q. And you, Phyllis Comu, have a personal account

1 at Compass Bank; is that correct?

2 A. Yes.

3 Q. But both of those accounts are used for the
4 same thing; are they not?

5 A. I use Compass all the time. North Dallas Bank,
6 I have not looked at it in over six months.

7 Q. That was not my question. Maybe I can give it
8 to you a little better. You use both of those accounts
9 for the same thing; is that right?

10 A. No.

11 Q. Okay.

12 MR. VITAL: Your Honor, I am going to be
13 turning to that same deposition that Ms. Hanks took of
14 Ms. Comu. For opposing counsel, I will be at Page 45.

15 THE COURT: All right.

16 Q. Actually I will start at 44, Line 21, where it
17 reads "yes" -- or "I see" -- or Line 18, "I see. So for
18 you it sounds like it was more convenient to have the
19 checks made out to you directly -- made out directly to
20 you personally and to this Compass account; is that
21 correct? "

22 Your answer was, "Yes, because if it was
23 made out to Sunset Pacific, I would have to go to North
24 Dallas Bank, make the deposit, then write a check for
25 cash, put it in my checking account or whatever.

1 "Question: Right."

2 A. Uh-huh, yes.

3 Q. Have I read all that right?

4 A. Yes.

5 Q. All right. I will keep going. Now we are on
6 Page 45, Line One. Your answer, "I don't use the North
7 Dallas Bank very often." And, to be fair to you, that
8 is what you just said?

9 A. Right.

10 Q. But we will get to why I am reading this in a
11 second:

12 "Question: Because it is not as
13 convenient?

14 "Answer: Right.

15 "But if it were convenient for you, would
16 it make much of a difference if you used Sunset or if
17 you used your personal checking account?

18 "Answer: A difference in what?

19 "Question: Do you see -- do you use them
20 for the same purposes?

21 "Answer: Yes.

22 "Same purposes?

23 "Yes."

24 Did I just read that right?

25 A. Yes, you did.

1 Q. Okay. So the same purposes that you use both
2 of these accounts for are for living expenses; is that
3 right?

4 A. Right now, yes.

5 Q. When you gave this deposition that was the same
6 answer; is that right?

7 A. Yes, sir.

8 Q. In fact, as far as you can remember back in
9 time, the North Dallas bank account and the Compass Bank
10 account have been used by you and Mr. Comu for his
11 benefit and for the same purposes; is that right?

12 A. Sunset Pacific was supposed to be used
13 initially for investments and in that nature, but then
14 it became more of just a personal checking account
15 through time.

16 Q. So and I think that was my question, so let me
17 make sure I got it, just so the record is clear. I
18 think what you just said is that the North Dallas Bank
19 account and the Compass Bank account have been used for
20 the same purpose going back to this deposition in August
21 of 2013 and even further back in time to the past before
22 that; is that right?

23 A. A little bit back, yes. I don't remember the
24 dates, or I should say years.

25 Q. You just said years?

1 A. Years.

2 Q. Is that the word you just used?

3 A. Yes.

4 Q. Okay.

5 A. I said or years.

6 Q. Okay, okay. And the accounts are used for the
7 living expenses of you and Mr. Comu; is that right?

8 A. Yes, sir.

9 Q. For the joint benefit of you and Mr. Comu; is
10 that right?

11 A. Yes, sir.

12 Q. But you also use both of those accounts for
13 more than just living expenses; is that right?

14 A. Sometimes.

15 Q. Like maybe getting your hair done?

16 A. Yes.

17 Q. And getting your nails done?

18 A. Yes.

19 Q. And expenses associated with your dog?

20 A. Yes.

21 Q. Now, the dog is owned by you personally, not by
22 Sunset Pacific, right?

23 A. Dogs, plural.

24 Q. Dogs, plural, you like dogs?

25 A. Yes.

1 Q. I do, too. They are owned by you; they are not
2 owned by Sunset Pacific; is that right?

3 A. Right.

4 Q. Okay. But both of these accounts are not only
5 used for hair, nails and the dog, but also the vet
6 expenses, right?

7 A. Yes.

8 Q. And for groceries?

9 A. Yes.

10 Q. And for gas for your car?

11 A. Yes.

12 Q. Which is what kind of car?

13 A. I have a '08 Mercedes SUV ML.

14 Q. Oh, ML, I am sorry. I don't drive Mercedes. I
15 thought you were going to --

16 A. SUV.

17 Q. -- add something on the end of that. I am
18 sorry. The SUV, whatever it was, ML, is titled in your
19 name personally; is that right?

20 A. Yes, sir.

21 Q. Not Sunset Pacific?

22 A. Correct, my name.

23 Q. Okay. I want to take a look at Trustee Exhibit
24 Number -- We will get to that one in a second. Let me
25 take a look at Trustee Exhibit Number 29. Attorneys

1 like to kill a lot of trees. This is Mr. Elmquist's
2 tree killing. This is Trustee Exhibit Number 28 and --
3 Oh, I am sorry. I should be looking at -- I have 29.
4 We will get to this one in a second, but I am too early.

5 Number 28 reflects -- and you have seen
6 this document before, because it was shown to you in
7 your deposition; is that right? Do you remember that?

8 A. Yes.

9 Q. And this shows a number of transfers to you,
10 Phyllis Comu, from Sunset Pacific. Do you see that?

11 A. Yes.

12 Q. Now, without seeing one of those checks there,
13 who is writing those checks? Do you know who is writing
14 those checks?

15 A. My husband wrote them out to me.

16 Q. And these will be some of the checks that were
17 written out of the Sunset Pacific account for all of the
18 purposes that you just gave testimony to this Court
19 about moments ago; is that right?

20 A. Yes.

21 Q. Let's talk about the Barclay Group. Barclay
22 Group is an entity that you also receive money from; is
23 that right?

24 A. Yes.

25 Q. And, in fact, you just told the Court that you

1 receive moneys from Sunset Pacific for living expenses
2 for you and Mr. Comu, also for personal expenses of your
3 own that we just itemized, and, in fact, you use and
4 receive other sources of money for similar personal
5 purposes as well from an entity other than Sunset
6 Pacific; is that right?

7 A. If these are them, yes.

8 Q. Like the Barclay Group?

9 A. Uh-huh.

10 Q. You have to say yes.

11 A. Yes.

12 Q. Okay.

13 A. Yes.

14 Q. Let's take a look at one of the these checks in
15 particular that you received from the Barclay Group.
16 Here this is KLM 88, for the Court and opposing counsel.
17 This would be a check that you received December 31st,
18 2009. Do you see that?

19 A. Yes.

20 Q. Did you know that that is the exact same date
21 that your husband filed this bankruptcy case or the
22 bankruptcy case that this adversary is under?

23 A. Yes, yes.

24 Q. Okay.

25 Q. And you got that check, because you must have

1 needed something along the lines of what we talked about
2 earlier, maybe to get your hair done or some type of
3 event or something like that; is that fair?

4 A. Yes.

5 Q. Okay. There are also some other checks that I
6 would like to go through just as quickly as we can.

7 These are from --

8 A. Excuse me. Why would it have "void" written on
9 it?

10 Q. Oh, I am not sure. You all produced those. Do
11 you have an answer --

12 A. Well, it must have been voided, and I didn't
13 use it.

14 Q. Okay. That may be so.

15 A. I probably used a credit card. You can't use a
16 check with "void" on it so --

17 Q. I am not in banking. I just try cases. I
18 don't know.

19 A. Okay.

20 Q. But the fact is that it is not unusual to see
21 your name on a Barclay Group check; is that right?

22 A. Occasionally.

23 Q. Occasionally?

24 A. Uh-huh.

25 Q. I don't know what "void" means, but I do know,

1 from what I have seen, that you get a lot of checks
2 written to you from the Barclay Group. Does that sound
3 right?

4 A. Not anymore. I did at one time. Yeah. And
5 "void" would mean this check is not any good. I must
6 have used some other means of paying for whatever I
7 wanted at that day.

8 Q. I got you, because back in December of 2009 you
9 and Mr. Comu had various means and methods of getting
10 satisfied of things that you needed to have taken care
11 of; is that right? Obviously, you could have just
12 written "void" on the check and go somewhere else. You
13 get \$2,000 from somewhere else (Inaudible).

14 A. I probably put it on a credit card.

15 Q. Do you understand that? I just saw a
16 bankruptcy today of a young lady who probably wishes she
17 had free access to \$2,000. You understand that is a lot
18 of money?

19 A. Yes, sir.

20 Q. Thank you. All right. So here is a thousand
21 dollars right here that is written to you. This is from
22 KLM 89. Do you see that, Check Number 5077?

23 A. Yes, sir.

24 Q. And here is another check, Number 5078, to you,
25 Phyllis Comu. Do you see that?

1 A. Yes.

2 Q. For a thousand dollars?

3 A. Yes.

4 Q. Still in the same exhibits, Your Honor, there
5 is a thousand dollar check to you. Do you see that?

6 A. Yes.

7 Q. There is another thousand dollar check. Do you
8 see that?

9 A. Yes.

10 Q. There is another thousand dollar check. Do you
11 see that?

12 A. Yes.

13 Q. And then there is two thousand; is that right?

14 A. Yes.

15 Q. Then we have got another thousand; is that
16 right?

17 A. Yes.

18 Q. Do you remember what you are spending all this
19 money on from the Barclay Group?

20 A. It was a long time ago. Various things. This
21 is before I get any income from our house that we were
22 leasing.

23 Q. Yes, but let me ask you this question: Do you
24 understand the broader picture; do you understand what
25 was happening in 2009 vis-a-vis the Barclay Group?

1 A. I am not certain.

2 Q. So you don't know where this money is coming
3 from; you are just spending it, right?

4 A. I don't know the details of it.

5 Q. Did you just get the check written to you and
6 just put it right back in the bank?

7 A. No, I used it for something that I needed.

8 Q. Yes, ma'am. And the broader picture is what I
9 am getting at. Do you have any idea where those moneys
10 came from that came to you through the Barclay Group?

11 A. I did not inquire.

12 Q. Okay. So here is another check, a thousand
13 dollars. That is about a month before the bankruptcy.
14 Do you see that?

15 A. Yes.

16 Q. There is another check in that same month for a
17 thousand dollars. Do I have that amount right?

18 A. Yes.

19 Q. So this one was November 1st, 2009, for a
20 thousand dollars; is that right?

21 A. Yes.

22 Q. And this one was the next day for a thousand
23 dollars. Do you see that?

24 A. Yes.

25 Q. Then 18 days later you got another one for

1 \$2,000 in that same month; is that right?

2 A. Yes.

3 Q. And two weeks before Christmas you got \$2,000;
4 is that right?

5 A. Yes.

6 Q. And there is that voided check again. I don't
7 know what that was about. But there is another one.
8 5101 was a voided one. Then there is another one for
9 that same date that is voided. Do you see that?

10 A. Yes.

11 Q. So you probably got that money from somewhere
12 else, too, since you didn't -- since that check got
13 voided?

14 A. Yes.

15 Q. And after the filing of this bankruptcy from
16 TBG, you got another thousand dollars?

17 A. Yes.

18 Q. And if there are any others in here -- I just
19 found one, December, rounded off the year of 2010 with a
20 \$3,000 check. Do you see that?

21 A. Yes.

22 Q. I don't know if there are any others in here,
23 but they are in evidence, and the Court will see them,
24 as the Court will see that one for \$2,000 in May
25 of 2010. Do you see that?

1 A. Yes.

2 Q. And all of these checks we just saw were
3 written to you because you must have needed money for
4 some reason; is that right?

5 A. Yes.

6 Q. And what you did is you would ask CJ for those
7 moneys, and he would give you those moneys. You saw
8 them, not only from Sunset Pacific, but also from the
9 Barclay Group, right?

10 A. Yes.

11 Q. Personal expenses?

12 A. Not always. I mean I don't remember. It was
13 2009, five years ago. I don't remember specifically.

14 Q. Okay. That's why it is good that we take these
15 depositions.

16 MR. VITAL: I will be at 93 in the 2013
17 deposition. I will put it on the Elmo for the witness.

18 Q. "Question: The same with the next page,
19 Phyllis Comu, September 11, 2009, \$1,000?

20 "Answer: Yes."

21 Do you see that?

22 A. Yes.

23 Q. Now, I will represent to you that the person
24 asking you the questions is going through that big stack
25 of checks that I just went through.

1 A. Uh-huh.

2 Q. "Question: Would you have deposited this into
3 your personal checking account?

4 "Answer: Yes:

5 "Then I will just skip down along
6 (Inaudible) stack of checks?

7 "Answer: Yes.

8 "And a number of them are made out to you?

9 "Answer: Yes.

10 And we just saw that a number of them were
11 made out to you, right?

12 A. Yes.

13 Q. And the question to you, specifically for the
14 reason that I pulled out this transcript, was, "And
15 these would have all been for personal expenses; is that
16 correct?"

17 Your answer was what, on the screen?

18 A. "Yes."

19 Q. Okay. Now, some of those personal expenses
20 would have been like charity events, like Cattle Barons'
21 Ball?

22 A. That would be one.

23 Q. Paws in the City, which is another charitable
24 group?

25 A. Yes.

1 Q. Personal medical care?

2 A. Yes.

3 Q. Now, these checks from the Barclay Group that
4 we are going over, for the benefit of the record and Her
5 Honor, are checks that were written to you from the
6 Barclay Group, in essence checks that made your
7 lifestyle possible during the time that those checks
8 were written; is that right?

9 A. Yes.

10 Q. Okay. Like your membership with the
11 Prestonwood Country Club?

12 A. I don't go to the country club. You would have
13 to ask my husband about that.

14 Q. I will go to Page 103 of your deposition to see
15 what you have to say about that.

16 "Do you belong -- do you and CJ belong to
17 any country clubs?

18 "Answer: Yes.

19 "Question: And which country club is that?

20 "Answer: Prestonwood Country Club.

21 Do they take dues?

22 A. I am sure I never paid them.

23 Q. How long have you all been members?

24 A. I am uncertain.

25 Q. All right. You all have been members since

1 your husband was writing all those checks from the
2 Barclay Group? Have you all been members during that
3 same period of time?

4 A. Yes.

5 Q. Okay. Now, it is fair, is it not, that all of
6 the checks that we went through and just put on the Elmo
7 for you and for the Judge, are checks that will count as
8 income for bankruptcy disclosure purposes, right?

9 A. Ask the question again. I am sorry.

10 Q. It is fair, is it not, that the checks that we
11 just went through, all of the checks that the Judge just
12 saw and that I showed you on screen there, are checks
13 that will count as income for bankruptcy disclosure
14 purposes; is that correct?

15 A. I don't understand the question.

16 Q. Okay. Well, let's expedite it just so we can
17 just get the testimony into the record. I am just going
18 to ask you to confirm that I am reading this correctly.

19 MR. VITAL: For opposing counsel, looking
20 at Page 105.

21 Q. I will start at Page 20. Says, "Question:
22 Exhibit Number 13, and it is the stack of checks that we
23 looked at just a moment ago?

24 "Answer: Right.

25 "From the Barclay Group, is that correct?

1 "Answer: Yes.

2 "So in 2010 can you -- would you expect
3 that that money coming from the Barclay Group with
4 whom -- that entity with whom he was working would
5 qualify as income?"

6 And your answer was yes, wasn't it?

7 A. Yes, I see that, yes.

8 Q. Is that what it says?

9 A. Yes.

10 Q. Okay. "Question: Okay.

11 "Answer: It is pretty obvious with the
12 checks. I see that in front of you, right."

13 Is that your testimony?

14 A. Yes.

15 Q. Now, I went to this a long time ago, and I was
16 just jumping the gun, but we are going to go to this
17 document. Well, let's go to 85 first, KLM 85. KLM 85
18 is a document that I believe is in evidence, with no
19 objection having been made to it. I am going to put it
20 up here on the Elmo.

21 These are some more Barclay Group checks,
22 right? Do you see that?

23 A. Yes.

24 Q. Now, the last one in this stack here says
25 Phyllis Comu. Do you see that?

1 A. Yes.

2 Q. That one is for \$2,000. Do you see that?

3 A. Yes.

4 Q. January 14, 2009?

5 A. Uh-huh.

6 Q. Right?

7 A. Yes.

8 Q. You have to say yes?

9 A. Yes.

10 Q. You said yes?

11 A. Yes.

12 Q. Okay. Is that your signature there?

13 A. Yes.

14 Q. All right. Now, it says office expenses on the
15 back of this check. Do you see that?

16 A. Yes.

17 Q. Is that your handwriting?

18 A. I am not sure. It doesn't look like it.

19 Q. It looks like CJ's writing, right?

20 A. Possibly.

21 Q. Says office expenses, though, right?

22 A. Yes.

23 Q. Now, it says office expenses, but you don't
24 have anything to do with office expenses for the Barclay
25 Group, do you?

1 A. Not that I know of. I might have bought
2 something.

3 Q. You don't have any responsibility for paying
4 expenses for the Barclay Group, do you?

5 A. No.

6 Q. Now, I am going to go to Trustee 29. This is a
7 document that the Trustee prepared to reflect checks
8 that went from the Barclay Group to you, Phyllis Comu.
9 Do you see that? Do you see that?

10 A. Yes.

11 Q. Now, a number of these checks have a stated
12 purpose associated with them, office expenses. Do you
13 see that?

14 A. Yes.

15 Q. Now, we just went over that, and you just
16 testified that you have no responsibility for paying
17 office expenses, right?

18 A. Right.

19 Q. But you do know that these checks,
20 notwithstanding the fact that they say office expenses,
21 were used for your personal purposes; is that right?
22 Well, let me give it to you another way: Hair is not an
23 office expense, right?

24 A. Right.

25 Q. Nor are your dogs, right?

1 A. Right.

2 Q. Okay. So one of these I am curious about says
3 advisory fees. That was few months after the discharge
4 granted in this case. And I believe the answer is going
5 to be, no, you have no idea what these advisory fees are
6 about; is that right?

7 A. Correct.

8 Q. Okay.

9 MR. VITAL: May I have a moment, Your
10 Honor?

11 THE COURT: You may.

12 MR. VITAL: I pass the witness, Your Honor.

13 THE COURT: All right.

14 MR. ELMQUIST: I just have a few questions.

15 THE COURT: Go ahead.

16 CROSS EXAMINATION

17 Of Phyllis Comu by Mr. Elmquist:

18 Q. Good afternoon, Ms. Comu. I talked to you back
19 in -- a year or so ago. It was August 2012?

20 A. Yes.

21 Q. I want to ask you about a couple of documents I
22 asked your husband about. It is going to be --

23 MR. ELMQUIST: May I approach, Your Honor?

24 THE COURT: You may.

25 Q. If you would, please turn to Tab Six in that

1 book.

2 A. Yes.

3 Q. That should be a stock purchase agreement. Is
4 that what you have?

5 A. Yes.

6 Q. Okay. On the second page you recognize your
7 signature?

8 A. Yes.

9 Q. Ma'am, do you recall anything about this
10 agreement?

11 A. Not right offhand.

12 Q. Do you recall having any discussions with your
13 husband about Sunset Pacific buying two million shares
14 of stock of -- excuse me, 2,500,000 shares of -- 500,000
15 shares of Green Auto stock that the Barclay Group had
16 obtained?

17 Let me ask the question again. This stock
18 purchase agreement relates to Sunset Pacific purchasing
19 from the Barclay Group 2,500,000 share of Green Auto
20 stock. Do you remember talking to your husband about
21 that?

22 A. We usually discuss most everything.

23 Q. Okay. But do you recall having discussions
24 about this particular transaction?

25 A. Not right offhand, no.

1 Q. If you will turn --

2 A. But I obviously signed it, so we must have.

3 Q. Okay. Do you remember anything about it, one
4 way or another, in terms of why you were doing it or
5 what the terms were?

6 A. We thought it was a good investment.

7 Q. I see. Turn to the third page of this document
8 that is entitled promissory note.

9 A. Yes.

10 Q. If you turn the page, you will see a signature
11 there. Is that your signature?

12 A. Yes.

13 Q. Did you understand you were signing a
14 promissory note on behalf of Sunset Pacific to pay the
15 Barclay Group \$250,000?

16 A. Was it for something specific like Algae or
17 another investment that we made?

18 Q. This had to do -- this was the companion piece
19 to the stock purchase agreement. This was in payment
20 for that Green Auto stock. Do you remember signing this
21 promissory note?

22 A. Yes.

23 Q. You do?

24 A. Yes.

25 Q. Okay. Tell me what you remember about it. Do

1 you remember talking to your husband about the
2 transaction in terms of --

3 A. I don't remember specifics.

4 Q. I see. All right. Now, I would like you to go
5 to exhibit -- in that same book, go to Tab 33, please.

6 MR. ELMQUIST: Your Honor, may I approach
7 to help her find the page?

8 THE COURT: You may.

9 Q. Ms. Comu, turn to the last page of that
10 Exhibit 33, which has, as the title, overflow statement.
11 Do you see that?

12 A. I am sorry. I don't.

13 Q. I have you on the wrong page here. Now, do you
14 see the page that is entitled overflow statement?

15 A. Yes, I do.

16 Q. Okay. And then we have two categories of what
17 is referred to as other investments. Do you see that?

18 A. Yes.

19 Q. And the first item listed under other
20 investments is an annuity for \$250,000. Do you see
21 that?

22 A. Yes.

23 Q. Do you know anything about that annuity?

24 A. Yes.

25 Q. Tell me what you know about it. Does it still

1 exist? Does Sunset Pacific still own the \$250,000
2 annuity?

3 A. I think this is the old one and we acquired a
4 new one.

5 Q. Who is we?

6 A. My husband and I, Sunset Pacific.

7 Q. Sunset Pacific?

8 A. Yes.

9 Q. Okay. Let's be clear on that, because it is
10 important to distinguish between you and your husband
11 individually and the company we are talking about. So
12 when you say "we", you mean here Sunset Pacific?

13 A. Yes, I mean Sunset Pacific.

14 Q. So Sunset Pacific exchanged the annuity that is
15 shown on this Exhibit 33 for a new annuity?

16 A. This is -- yes, this is our first life
17 insurance that we got.

18 Q. How can you tell that from just the description
19 here? Can you tell by the date?

20 A. Well, it says annuity --

21 Q. Right, okay.

22 A. -- date. Well, Sun Sports underneath it,
23 that's how I know.

24 Q. So the \$250,000 annuity that is shown on the
25 2008 tax return was later exchanged by Sunset Pacific

1 for a new annuity; is that what you are saying?

2 A. Well, the annuity matured.

3 Q. Okay.

4 A. And to like 300.

5 Q. Okay.

6 A. And then we bought a new annuity, and the money
7 that was left over we put into Algae International, I
8 think is the name of it.

9 Q. I see. And when you say the money left over,
10 you are saying the difference between --

11 A. With the maturity of the annuity.

12 Q. Okay. So is there any annuity at this time
13 owned by Sunset Pacific?

14 A. Repeat the question.

15 Q. Sure. Is there any annuity owned at this time
16 by Sunset Pacific?

17 A. Yes.

18 Q. And what is the amount of that annuity?

19 A. Not certain.

20 Q. Okay. I can tell you I have looked at the tax
21 returns that have been supplied by your husband's
22 attorney going through 2011, and none of those
23 subsequent tax returns reflect that annuity. So I am
24 wondering if the annuity is still owned, but you don't
25 know offhand whether it is or isn't? Excuse me, you --

1 A. I don't know how much it is.

2 Q. But you don't know how much it is?

3 A. Correct.

4 Q. Okay. Let me ask you this: In connection with
5 the Sunset Pacific tax returns, do you recall being
6 asked to review those returns for any purpose before
7 they were sent to the government?

8 A. Yes, I would have looked them over. I probably
9 would have signed them.

10 Q. Who provided those returns to you?

11 A. Our accountant.

12 Q. Mr. Dahl?

13 A. Yes.

14 Q. Mr. Dahl has passed away, right?

15 A. Just a few weeks ago.

16 Q. Right. So has the Sunset Pacific return been
17 prepared for 2013?

18 A. Because he is deceased, I don't know what --

19 Q. I am just asking if the return --

20 A. Oh, I don't know. I think we are getting a new
21 accountant.

22 Q. Let me reask the question. Has the 2013
23 Federal income tax return for Sunset Pacific been
24 prepared?

25 A. Working on it now.

1 Q. Who is working on it?

2 A. My husband and I.

3 Q. Okay. Do you have any idea what the income of
4 Sunset Pacific was in 2013?

5 A. No, sir.

6 MR. ELMQUIST: That's all I have. Thank
7 you.

8 THE COURT: Mr. Olson?

9 MR. OLSON: Yes, ma'am. I know you wanted
10 to leave early today, and I think I can get you out of
11 here unless I trigger some questions.

12 THE COURT: Okay.

13 CROSS EXAMINATION

14 Of Phyllis Comu by Mr. Olson:

15 Q. Let me go to some different topics. Who is
16 Steve Evans?

17 A. The son of a car dealership, maybe Steve Evans
18 Senior. I don't remember his name. Here prominent, big
19 car dealership back in the '80s, and his son is Steve
20 Evans.

21 Q. Okay. When did you first meet Steve Evans?

22 A. College.

23 Q. Where? Do you remember where or what
24 circumstances?

25 A. At a fraternity party.

1 Q. Okay. And does Steve Evans live in the
2 neighborhood where you live?

3 A. He used to be our neighbor several years ago.

4 Q. All right. Now, the testimony today about the
5 Palladium house and the Oaks North house, those houses
6 are just a few blocks apart, aren't they?

7 A. Twelve houses away from each other.

8 Q. All right. And where are they located?

9 A. Addison, Texas.

10 Q. In Preston Hollow?

11 A. Nowhere near Preston Hollow.

12 Q. All right. And the house that you are in now,
13 I think the testimony is that you signed a lease, you
14 and your husband, to move into that house?

15 A. Repeat the question again.

16 Q. The house you are living in now?

17 A. Yes.

18 Q. You signed a lease to move into that house?

19 A. Yes.

20 Q. All right. And you are leasing from
21 Continental Partnership, Inc.?

22 A. Yes, sir.

23 Q. All right. And you are leasing out your house
24 on Palladium that you claimed as homestead?

25 A. Yes.

1 Q. And are you going to sell that homestead house?

2 A. Probably move back in it.

3 Q. When?

4 A. The tenants signed a five year lease, and they
5 have been there about two and a half years or maybe
6 three now, and when -- maybe we will move back in.

7 MR. OLSON: All right. I don't have any
8 other questions.

9 MR. VITAL: No more questions, Your Honor.

10 THE COURT: Any redirect on that?

11 MR. ELMQUIST: No, Your Honor. Thank you.

12 THE COURT: I have just one question for
13 you, Ms. Comu. I noticed the tenants in the Palladium
14 property were Mervin Price.

15 THE WITNESS: Yes, ma'am.

16 THE COURT: Is that the same Mervin Price
17 who is an employee of Barclay Group, or has been in the
18 past?

19 THE WITNESS: I am not aware of that.

20 THE COURT: How did the tenants come to
21 you?

22 THE WITNESS: Mervin works at Regus
23 Advisors.

24 THE COURT: All right. So I said the
25 Barclay Group. I was basing that on some earlier

1 testimony that he had been an employee or consultant for
2 Barclay, but now he is an employee or consultant for
3 Regus?

4 THE WITNESS: Right, they are our second
5 set of tenants. We had another set of tenants for a
6 couple of years, and then they are our new ones.

7 THE COURT: When did you start leasing the
8 house?

9 THE WITNESS: December 2010. The first
10 tenants only lived there for a year.

11 THE COURT: Who were the first set of
12 tenants?

13 THE WITNESS: Lonergans, Dan Lonergan.

14 THE COURT: All right. And then Mervin
15 Price, who has worked for Barclay Group and now Regus --

16 THE WITNESS: I don't recall him ever
17 working for Barclay Group.

18 THE COURT: And he works with your husband
19 now at Regus, and he is leasing the house?

20 THE WITNESS: Yes, ma'am.

21 THE COURT: Do they actually live in the
22 house?

23 THE WITNESS: Yes, ma'am.

24 THE COURT: Any follow-up on the Court's
25 questions?

1 MR. ELMQUIST: No, Your Honor.

2 MR. VITAL: No, Your Honor.

3 THE COURT: Thank you, Ms. Comu. You are
4 excused.

5 THE WITNESS: Thank you.

6 THE COURT: All right. We are going to
7 wrap it for today, and let me tell you about a timing
8 problem I have tomorrow afternoon.

9 You may remember I had told you probably
10 back at the docket call that I had a 1:30 p.m. lift stay
11 docket on Thursday that I didn't think would last very
12 long, and we would just arrange lunch around it. I
13 still have that, only I have an emergency hearing that I
14 had to set at 2:30 tomorrow. A chain of nursing homes
15 filed bankruptcy, they have emergencies that are, trust
16 me, genuine emergencies. You know, it is a nursing home
17 chain, so you can imagine. So anyway, I apologize for
18 having to interrupt this trial, but it really is a
19 necessary interruption.

20 So I may have a 1:30 docket tomorrow that
21 is going to last probably 30 minutes, and then the 2:30
22 docket, at one time they was saying they might take two
23 hours. Do you still think that --

24 If we get in a different word overnight or
25 tomorrow morning that it is going to be shorter than two

1 hours, we will let you know. But all this to say we may
2 have only half a day tomorrow, 9:30 to one o'clock or
3 something like that.

4 MR. VITAL: Your Honor, we have finished
5 our case in chief. The only thing that remains is the
6 offer of documents, and that could take some time with
7 the arguments back and forth. I have not consulted with
8 Ms. Hanks about this, so I hope she doesn't slap me, but
9 what I would suggest is perhaps we could just offer them
10 and maybe submit something in writing for you and your
11 clerk --

12 THE COURT: Okay.

13 MR. VITAL: -- about what the offer is for,
14 so that you can just look at them all at one time,
15 rather than us going back and forth and consuming the
16 Court's time.

17 THE COURT: All right. So that is one
18 possibility. Okay. Plaintiffs have rested.

19 Mr. Elmquist, you are going to have your
20 client presumably.

21 MR. ELMQUIST: I am, and Mr. Olson and I
22 are visiting just now about Ms. Reed's availability. I
23 think she is available until three tomorrow, and you are
24 going to be tied up tomorrow afternoon anyway.

25 THE COURT: So we can start with her in the

1 morning perhaps and then stop one-ish and either finish
2 her Friday, or then you will put on your case, and that
3 will be Mr. Comu.

4 MR. OLSON: Yes. I doubt if Ms. Reed's
5 testimony is going to take until one o'clock.

6 MR. ELMQUIST: Likewise.

7 THE COURT: All right. All right. So we
8 potentially can finish Friday.

9 MR. OLSON: Yes, ma'am.

10 MR. ELMQUIST: Yes, ma'am.

11 MR. VITAL: I think so.

12 THE COURT: All right. And then there may
13 be some post closing briefing or submissions.

14 MR. VITAL: Yes, Your Honor.

15 MR. ELMQUIST: If I understand correctly,
16 Mr. Olson is going to call Ms. Reed as a witness. I am
17 going to have some examination of her, and then you are
18 going to call Mr. Comu, and that will be it.

19 UNIDENTIFIED MAN: I think so.

20 THE COURT: Okay. Well, very good. I was
21 afraid we weren't going to finish, but it sounds like we
22 probably will. All right. So --

23 MR. VITAL: Just to make it clear, I will
24 have examination of Ms. Reed, too, but I don't expect it
25 to throw off the time estimate that was just given.

1 THE COURT: Okay. All right. Well, I am
2 thinking, if there is any chance we are not going to
3 finish, a week from Friday you could come back. It
4 sounds like, at worst, that might be closing argument.
5 It sounds like you all are probably going to even be
6 able to work in closing arguments.

7 MR. VITAL: Yes, Your Honor.

8 UNIDENTIFIED MAN: If you have all Friday,
9 I don't think so.

10 THE COURT: Yeah, I mean I would love to
11 not go all day Friday, but I can go all day Friday if
12 we -- so all right. We will see you at 9:30 --

13 (Adjournment)
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CERTIFICATE

COUNTY OF LUBBOCK)
STATE OF TEXAS)

I, Cathy Sosebee, Certified Court Reporter in
and for the State of Texas, do hereby certify that the
foregoing pages contain a full, true and correct
transcript, to the best of my ability, of audio file
furnished by the United States Bankruptcy Court,
Northern District of Texas, Office of the Clerk.

Given under my hand this the 20th day of
October, 2014.

/s/Cathy Sosebee
CATHY SOSEBEE, CSR, No. 612
Expiration Date: 12/31/14
Cathy Sosebee & Associates
Firm Registration No. 49
P. O. Box 86
Lubbock, TX 79408
806 763-0036

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IN THE UNITED STATES BANKRUPTCY
NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

KING LOUIE MINING, LLC, KING LOUIE ENTERPRISES, LLC AND
RONALD KATZ,
Plaintiffs,
V.
CENGIZ J. COMU a/k/a CJ COMU,
Defendant.
DIANE G. REED, TRUSTEE.
Intervenor, Co-Plaintiff, and Third-Party
Plaintiff,
V.
CENGIZ J. COMU, a/k/a CJ COMU,
Defendant,
and
PHYLLIS E. COMU, BERNARD D. BROWN, THE BARCLAY GROUP,
INC., AND SUNSET PACIFIC, L.P.,
Third-Party Defendants.
BANKRUPTCY PETITION NUMBER: 10-03269-sgj

TRIAL
MARCH 20, 2014
9:35 A.M. TO 12:25 P.M.
HONORABLE STACEY JERNIGAN, PRESIDING
TRANSCRIPT FROM AUDIO RECORDING

1 Transcript produced from audio recording by:
CATHY SOSEBEE, RPR, CSR

2 CSR No. 612, Expiration Date 12/31/14
Cathy Sosebee & Associates

3 Firm Registration No. 49
P.O. Box 86

4 Lubbock, TX 79408
806.763.0036

5
6 APPEARANCES:

7 FOR PLAINTIFFS KING LOUIE MINING, LLC, KING LOUIE
ENTERPRISES, LLC, AND RONALD KATZ:

8 MS. KENDYL T. HANKS

- AND -

9 MR. NICHOLAS SAROKHANIAN

- AND -

10 MR. VICTOR D. VITAL

Greenberg, Traurig

11 2200 Ross Avenue

Suite 5200

12 Dallas, TX 75201

hanksk@gtlaw.com

13
14 FOR THE INTERVENOR CO-PLAINTIFF, AND THIRD PARTY
PLAINTIFF, TRUSTEE DIANE REED:

15 MR. DAVID ELMQUIST

Reed & Elmquist, P.C.

16 501 N. College Street

Waxahachie, TX 75165

17 972-938-7339

delmquist@bcylawyers.com

18
19 FOR DEFENDANTS CENGIZ J. COMU, SUNSET PACIFIC, L.P., THE
BARCLAY GROUP, INC., BERNARD D. BROWN AND PHYLLIS E.
COMU:

20 MR. DENNIS OLIVER OLSON

21 Olson, Nicoud & Gueck, LLP

1201 Main Street, Suite 2470

22 Dallas, TX 75202

214-979-7300

23 denniso@dallas-law.com

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1 PROCEEDINGS

2 THE COURT: All right. Day four of our
3 trial in King Louie Mining versus Comu, Adversary
4 10-3269. Let's go ahead and get appearances on the
5 record for the attorneys once again.

6 MS. HANKS: Kendyl Hanks for the
7 plaintiffs.

8 THE COURT: Okay.

9 MR. VITAL: Good morning, Your Honor.
10 Victor Vital for plaintiffs.

11 THE COURT: Okay.

12 MR. SAROKHANIAN: Good morning, Nicholas
13 Sarokhanian for the plaintiffs.

14 THE COURT: Okay.

15 MR. ELMQUIST: Good morning, Your Honor,
16 David Elmquist on behalf of Diane Reed, trustee.

17 MR. OLSON: Good morning, Your Honor,
18 Dennis Olson for the defendants.

19 THE COURT: Good morning to all of you.
20 All right. Where we left off yesterday the plaintiffs
21 had rested on their case in chief, and Mr. Elmquist was
22 about to put on Ms. Reed. Do we have housekeeping
23 matters?

24 MR. OLSON: Just a couple quickly, Your
25 Honor. In connection with the Court's questions of Mr.

1 Comu about corporate documents for The Barclay Group, we
2 did another search last night, and literally the only
3 things that we have are the certificate of incorporation
4 and the articles of incorporation. There is no minute
5 book, no organizational meeting, no minutes, no share
6 certificates issued, nothing to that effect.

7 THE COURT: Okay.

8 MR. OLSON: And I think counsel on the
9 plaintiff and the intervenor's side had already
10 downloaded these documents from the Secretary of State.

11 THE COURT: I think we may have seen them
12 in evidence.

13 MR. OLSON: Yes. That's all.

14 THE COURT: All right.

15 MR. OLSON: Now, in connection with the
16 questions about the Turkish bank account, I stated to
17 the Court that we had provided to the other side the
18 snapshots for the balances in that account on three
19 specific dates. That is not true.

20 When the issue came up in the deposition at
21 Greenberg Traurig in November, Mr. Comu sent me an
22 email, which I have marked as Defendant's Exhibit 10,
23 that shows the balance in the account on a specific
24 date. I never forwarded that to either side.

25 I asked him for a snapshot bank statement

1 that would show the balance, the date of the filing, the
2 date of the filing of the adversary, and the most
3 current statement. We have requested that again.

4 This is all I have got, and it was provided
5 to counsel this morning, and I have marked it as
6 Defendant's Exhibit 10.

7 THE COURT: All right. You may approach
8 with that.

9 All right. Well, is there any objection to
10 this Defendant's 10 being in the record?

11 MS. HANKS: No. We would like it to be in
12 the record.

13 MR. ELMQUIST: I am sorry, Your Honor. I
14 didn't hear what 10 is.

15 THE COURT: It is the --

16 MR. ELMQUIST: Bank statement?

17 THE COURT: -- a couple of emails regarding
18 the bank balance.

19 MR. ELMQUIST: Email of the account
20 information?

21 THE COURT: Yes.

22 MR. ELMQUIST: Fine. In fact, I need to
23 ask Ms. Reed about that exhibit so I need it.

24 THE COURT: Defendant's Exhibit 10 is
25 admitted.

1 (Defendant's Exhibit 10, offered and
2 admitted.)

3 (Indecipherable discussion between Ms.
4 Hanks and Mr. Elmquist.)

5 THE COURT: All right. If there are no
6 other housekeeping matters, are you ready to call your
7 witness, Mr. Elmquist?

8 MR. ELMQUIST: I am, Your Honor. The
9 trustee calls the trustee.

10 THE COURT: All right. Welcome, Ms. Reed.
11 If you could approach the witness stand, we will go
12 ahead and swear you in, although you are an officer of
13 the Court. Given the significance of this adversary, we
14 will go ahead and swear you in.

15 (Witness sworn.)

16 DIANE REED,
17 Having been duly sworn, testified as follows:

18 DIRECT EXAMINATION

19 By Mr. Elmquist:

20 Q. Good morning, Ms. Reed.

21 A. Good morning.

22 Q. You are the duly appointed Chapter Seven
23 Trustee in the bankruptcy estate of C. J. Comu; is that
24 correct?

25 A. Correct.

1 Q. And you were appointed shortly after the case
2 was filed, case being filed on December 31, 2009?

3 A. Yes.

4 MR. ELMQUIST: May I approach, Your Honor?

5 THE COURT: You may.

6 Q. Ms. Reed, you have in front of you the
7 defendant's exhibits, and I want to direct your
8 attention to Exhibit 4.

9 A. Yes.

10 Q. This has been introduced into the record, and
11 it has been admitted by the Court. This is an
12 unofficial transcript of the meeting of creditors. It
13 indicates it was held February 9, 2011, but that is a
14 misprint. It should be February 9, 2010. And that
15 would be consistent with when the meeting should have
16 occurred, based upon the case being filed 12/31/09,
17 correct?

18 A. Yes.

19 Q. And you attended that meeting as trustee?

20 A. I did.

21 Q. Do you recall this meeting?

22 A. I do.

23 Q. Have you had an opportunity to review this
24 transcript recently?

25 A. I have reviewed it, I haven't studied it, but I

1 have reviewed it briefly.

2 Q. You have reviewed portions with me this
3 morning, correct?

4 A. I have.

5 Q. Okay. And was Mr. Comu in attendance at the
6 meeting?

7 A. Yes, he was.

8 Q. Was Mr. Olson there?

9 A. I don't believe Mr. Olson was there. I think
10 his partner Mr. Nicoud was there.

11 Q. And were there creditors' representatives,
12 creditors or creditors' representatives in attendance?

13 A. Yes.

14 Q. Was Emil Lippe on behalf of King Louie Mining
15 in attendance?

16 A. Yes, he was.

17 Q. And was there an individual creditor there by
18 the name of Buckeye --

19 A. Buckeye Epstein.

20 Q. Buckeye Epstein? Thank you.

21 A. Yes, he was there.

22 Q. Okay. And at the meeting you were asked
23 various questions of Mr. Comu concerning his schedules
24 and statement of financial affairs?

25 A. Yes, I did.

1 Q. All right. I would like you to take a look at
2 Trustee's Exhibit 94, which you can do with the book or
3 on the screen, whichever you prefer. Ms. Hanks is about
4 to pull up --

5 MS. HANKS: If I can get my computer to
6 work.

7 MR. ELMQUIST: Since I am technologically
8 challenged, of which the Court can take judicial notice.

9 THE COURT: I will.

10 MS. HANKS: Trustee Exhibit what?

11 MR. ELMQUIST: It is the schedules.

12 MS. HANKS: It's the schedules. Then I
13 will do this. Wrong one. I have the docket number
14 wrong.

15 Q. Okay. What you see on the screen there would
16 be Schedule A. Let me ask you generally, Ms. Reed, in
17 connection with and prior to the meeting of creditors,
18 did you have an opportunity to review the debtor's
19 filing schedules?

20 A. Yes, I did.

21 Q. And one of your objectives as the trustee at a
22 341 meeting is to question the debtor concerning the
23 debtor's filed schedules and statement of financial
24 affairs; is that right?

25 A. Yes, it is.

1 Q. And part of that is to assess the completeness
2 and accuracy of those filings; is that right?

3 A. Yes, it is.

4 Q. So you asked various questions of Mr. Comu
5 concerning the schedules and statement of financial
6 affairs?

7 A. Yes.

8 Q. I would like to direct your attention to Page
9 Three of the schedule, Schedule B, that pertains to
10 stock and interest in incorporated and unincorporated
11 businesses. Do you see that reference at Paragraph 13?

12 A. Paragraph 13, yes, I do.

13 Q. And did you generally inquire of Mr. Comu
14 concerning various stock listed or equity interest
15 listed in Number 13?

16 A. Well, it is my practice to allow the debtor's
17 counsel to make a record first, and I do think that
18 Mr. Nicoud went through that list to discuss with me
19 the -- to discuss on the record the things Mr. Comu said
20 he owned, the business interests, and the values that he
21 placed on them.

22 Q. And based upon the 341 transcript, you believe
23 it was also the case that Mr. Lippe, on behalf of King
24 Louie Mining, also asked questions concerning those
25 assets or those listings?

1 A. Yes.

2 Q. If you take a look at the fourth page -- I am
3 sorry, fifth page of 94, where it lists interest in
4 partnerships or joint ventures, do you see there, "Own
5 one percent The Barclay Group, Inc."?

6 A. I do.

7 Q. And also take a look at Page Four, the
8 beginning -- or in that Category 13 do you see a
9 reference, just below the line, to "one percent
10 ownership The Barclay Group, 99 percent owned by Bernard
11 Brown"?

12 A. Yes.

13 Q. Okay. Were there questions at the meeting
14 concerning that ownership and who Mr. Brown is?

15 A. Yes.

16 Q. And did Mr. Comu testify that Mr. Brown was a
17 resident of France?

18 A. Yeah, I believe he did, yes.

19 Q. Okay. Now, there were questions asked at the
20 meeting concerning The Barclay Group, and I would like
21 to now go back to Exhibit 4 at Page Four, and I would
22 also like you to compare -- I want to talk to you about
23 Page Four, but I also want to talk to you about the
24 answer to Question 18 on the statement of financial
25 affairs, which is Exhibit 95.

1 A. Do you mean Trustee's Exhibit?

2 Q. Yes, I meant Trustee's Exhibit 95, the SOFAs.
3 Based upon your review of this transcript, Ms. Reed, do
4 you believe the unidentified speaker is Mr. Nicoud at
5 Page Four?

6 A. I do think that's the case.

7 Q. Okay. And towards the top there you see where
8 it says, "You listed several of item -- are you the
9 officers of any of these companies?" And see Mr. Comu's
10 response, "Of which company?"

11 A. Yes.

12 Q. And he goes on, "Well, we have got The Barclay
13 Group." And what was Mr. Comu's response?

14 A. Mr. Comu said, "I am not an officer The Barclay
15 Group. I am an employee The Barclay Group."

16 Q. Now, take a look at 95, answer to 18. Is that
17 consistent with what he represented in his SOFA?

18 A. I am sorry. I don't have the statement of
19 financial affairs. I can't read it. It is so small.

20 Q. You can take a look at mine.

21 A. Okay. I see it now. Is this consistent with
22 what?

23 Q. If you look at the response to 18, Question 18,
24 you see The Barclay Group there listed?

25 A. Managing partner The Barclay Group.

1 Q. Inc.?

2 A. Inc.

3 Q. Okay. So his testimony at the 341 meeting was
4 not consistent with what he filed with the Court?

5 A. No, it was not.

6 Q. All right. Now, I would like to direct your
7 attention to Page Six of Defendant's Exhibit 4 where
8 Mr. Lippe is asking questions.

9 A. Yes.

10 Q. And the questioning starts out with, "What is
11 the business The Barclay Group"? And what was Mr.
12 Comu's response?

13 A. "It is a consulting firm."

14 Q. And then Mr. Lippe asks, "What kind of
15 consulting?" And what was Mr. Comu's response?

16 A. "Provides business plans, provides professional
17 advice to companies."

18 Q. And Mr. Lippe asked, "What do you do for The
19 Barclay Group?" And he answers what?

20 A. "I consult with clients on opportunities that
21 come up."

22 Q. And Mr. Lippe asks, "Who originates the clients
23 for The Barclay Group?" And what does Mr. Comu state?

24 A. "Originates from various sources."

25 Q. And Mr. Lippe asks, "Are you on a salary

1 commitment?" And Mr. Comu responds how?

2 A. "No, sir."

3 Q. And Mr. Lippe asks, "How are you compensated
4 right now?" And what does Mr. Comu state?

5 A. "I," unintelligible apparently, "on an hourly
6 basis."

7 Q. "And who are the others in The Barclay Group?"

8 A. "Mr. Bernard Brown owns 99 percent of the
9 company."

10 Q. Now, I want to turn the page to Page Eight,
11 continuing questioning by Mr. Lippe. Towards the bottom
12 he asks, "Does The Barclay Group have any assets?"

13 A. "I don't believe so unless whatever has been
14 disclosed in the bankruptcy filing and stock in The
15 Barclay Group."

16 Q. Having reviewed the schedules that Mr. Comu
17 filed, is there anything listed in the way of assets of
18 The Barclay Group?

19 A. I couldn't find anything about assets The
20 Barclay Group.

21 Q. Given the fact that this is an individual case,
22 there wouldn't be assets listed The Barclay Group, would
23 there, because this is supposed to list his assets, not
24 the assets The Barclay Group?

25 A. That's correct.

1 Q. Unless Barclay Group were a dba or the alterego
2 of Mr. Comu?

3 A. Well, the --

4 Q. Is that right?

5 A. Well, that's correct, technically correct, but
6 if The Barclay Group had been shown -- if his interest
7 in The Barclay Group had been shown as having a value,
8 many times the debtors will list what the assets and
9 liabilities are to show whether there is any net value
10 or the -- but, no, it is not required that the Barclay
11 Group's assets be disclosed in the schedules.

12 Q. But in response to Mr. Lippe's question, he is
13 saying, "I don't believe it has any assets," correct?

14 A. Correct.

15 Q. Does Mr. Comu, at this 341 meeting, contradict
16 himself in later questioning with respect to whether or
17 not The Barclay Group has assets?

18 A. I am not sure what you are referring to
19 essential.

20 Q. Take a look at Page Nine, bottom of the page,
21 where Mr. Lippe asks, "And the stock Nano Taylor (phon)
22 that you are referencing in your form, is that owned by
23 The Barclay Group or by you?" And what is his answer?

24 A. Find it. Sorry.

25 Q. Bottom of Nine, bottom of Page Nine.

1 A. I see it.

2 Q. Okay.

3 A. At the top of Page Ten he responds, "No, it is
4 owned by The Barclay Group."

5 Q. And then at the bottom of Page 11 Mr. Lippe
6 asks, "Did The Barclay Group ever loan any money to Sun
7 Sports?"

8 A. "I believe they have."

9 Q. Is there anything in this examination where the
10 business of The Barclay Group is discussed and the
11 assets of The Barclay Group is discussed where Mr. Comu
12 discloses the ownership of 95 million shares of Green
13 Auto stock?

14 A. Absolutely not.

15 Q. Is there anything in this transcript that
16 describes the business activity of The Barclay Group in
17 acting as an investment banker to effectuate a reverse
18 merger between Go Green and Ganas?

19 A. No.

20 Q. All right. Did you, during the course of this
21 examination or the questioning, have some concern about
22 the completeness and accuracy of the schedules?

23 A. Yes, I did.

24 Q. Did you admonish Mr. Comu with respect to the
25 need for him to review the schedules and statement of

1 financial affairs that he had filed to assure their
2 accuracy?

3 A. I did.

4 Q. Take a look at Page 28, please. I would like
5 you to read into the record your admonishment to Mr.
6 Comu that begins towards the bottom of the page with the
7 words, "Make sure." "Make sure to put that down." Do
8 you see that on Page 28?

9 A. Yeah.

10 Q. If you would, just read that into the record,
11 please?

12 A. "Make sure to put that down here that you --
13 \$600 or more to one credit card, other things, too, so
14 that there is one thing that looks odd -- so you may
15 need to amend your statement of financial affair with
16 that. And while we are doing it, I also urge you to
17 review all of the questions and make sure you haven't
18 left anything off. For example, you have indicated that
19 within the past year you have not made any gifts to
20 anyone of a value of more than \$200. So I urge you to
21 consider whether that is the case, whether you have
22 family and may have made gifts to and anything else that
23 you may not have answered correctly, because this
24 requires some thought, and you did sign these under
25 penalty of perjury."

1 Q. All right. And then I want you to also turn
2 the page to Page 29 and read into the record your
3 statement that begins, "I want him to be sure." And you
4 are speaking to Mr. Comu's counsel at this point; is
5 that correct?

6 A. Yes, that's correct.

7 Q. Read that into the record, please.

8 A. "I want him to be sure and look and see if he
9 has answered the statement of financial affairs
10 questions correctly, because it does -- I mean it
11 just -- in a case of this size and complexity, some of
12 these questions indicate that there were none, and it
13 just kind of looks like something he needs to revisit, I
14 think."

15 Q. All right. Ms. Reed, is it your customary
16 practice as a trustee to maintain internal notes
17 relating to a case as the case progresses?

18 A. Yes.

19 Q. Is Defendant's Exhibit 5 a copy of the notes
20 you maintained for this case from 2/23/2010 through
21 February 7, 2014?

22 A. You mean Trustee's Exhibit 5?

23 Q. No, Defendant's Exhibit 5 in that --

24 MR. ELMQUIST: May I approach?

25 THE COURT: You may.

1 Q. This here, this is defendants.

2 A. Oh, I am sorry. I didn't know what we were --
3 Oh, Defendants, I see, Defendant's 5, yes, that is a
4 printout from my computer. Everything is kept
5 electronically. It is a printout of all the notes in
6 the file.

7 Q. And this is from February 23, 2010, to
8 February 7, 2014; is that right?

9 A. I don't know if there is anything after
10 February 7, but that sounds about right.

11 Q. Look at the top of the document.

12 A. Well, there is -- but, yes, that seems to be
13 the last entry.

14 Q. Okay. Are these records -- Are these notes
15 maintained contemporaneously?

16 A. Yes.

17 Q. So you made the notes at or about the date that
18 that is entered?

19 A. Exactly, yes.

20 Q. There is -- Let's go to the first page so we
21 explain something to the Court here. You have a heading
22 called previous status memos. Do you see that?

23 A. Yes.

24 Q. Does that refer to the status memos that are
25 filed with the Court?

1 A. They are not always filed with the Court. We
2 got various requests for status reports from --
3 sometimes with Federal court, sometimes from the United
4 States Trustee, and some of those get filed with the
5 Court; some of them just go to the US Trustee.

6 Q. I asked the wrong question. These status memos
7 are invariably sent to the US Trustee's office at their
8 request. Sometimes they are filed and sometimes they
9 are not filed with the Court; is that right?

10 A. Correct.

11 Q. Let's go to Page Three, Three of Three, and you
12 will see there is a reference there to -- on 3/1/10 that
13 debtor -- you understand that to be the debtor's
14 attorney? Who would that be, Mr. Olson?

15 A. Yes, this is a memo made by my assistant,
16 Regina Burton, thus the RB on that note. "Debtor
17 attorney to come meet with Diane and bring documents on
18 Monday, 3/8/10, at 3:00 p.m. -- three o'clock."

19 Q. And did Mr. Olson come and meet with you that
20 day, to the best of your knowledge?

21 A. He did.

22 Q. Okay. And do you recall that meeting at all?

23 A. I do.

24 Q. Okay. Tell the Court the purpose of that
25 meeting so far as -- well, did Mr. Olson request the

1 meeting, or did you request the meeting, or do you
2 remember?

3 A. I had asked Mr. Olson to provide me with
4 certain documents and information, and he called me up
5 and said, "I have everything together. It is kind of
6 complicated. I would like to bring it to you instead of
7 just sending it to you." And I said fine.

8 Q. Do you generally recall what documents and
9 information you asked Mr. Olson to provide?

10 A. Oh, I asked for bank statements, tax returns on
11 all the companies that he had an interest in. I don't
12 recall. I think there were three or four specific
13 things I asked for.

14 Q. In a case like this and a meeting like this,
15 you would typically ask for information relating to the
16 debtor's business interests and stock and what have you?

17 A. All the assets in general.

18 Q. And so you would also ask for tax returns for
19 companies in which the debtor had a significant
20 interest; is that right?

21 A. I did, in fact, do that, yes.

22 Q. Okay. And did Mr. Olson comply with your
23 request?

24 A. He did.

25 Q. So he brought you various documents?

1 A. He did.

2 Q. All right. Do you remember him bringing to you
3 a stock certificate issued to Mr. Comu by a company
4 called Ganas Corp?

5 A. I do.

6 Q. Take a look at Trustee's Exhibit 3, either in
7 my book or on the screen or both.

8 A. Oh, okay.

9 Q. Take a look at the Exhibit 3, Ms. Reed, and
10 tell me if you believe this to be a copy of the
11 certificate that was delivered to you?

12 A. It is.

13 Q. Was the original certificate delivered to you?

14 A. Yes.

15 Q. Do you recall having any discussions -- let me
16 back up a second. Was Mr. Comu at this meeting?

17 A. No.

18 Q. Okay. Do you recall having any discussions
19 with Mr. Olson concerning this certificate?

20 A. Yes.

21 Q. Tell me what you recall discussing about it.

22 A. Mr. Olson told me that he did not believe this
23 was property in the bankruptcy estate, because this deal
24 didn't close until January of 2010, at which time Mr.
25 Comu had earned this. But he felt like Mr. Lippe, who

1 at that time was representing Mr. Katz but also had
2 offered to be my special counsel, he felt like Mr. Lippe
3 was going to probably take issue with the question of
4 whether this was actually property of the estate. And
5 he said that that is why he wanted to hand it to me, and
6 he didn't want anybody thinking that Mr. Comu was doing
7 anything he shouldn't do with what might be alleged to
8 be property of the estate. And he said it didn't have
9 any value anyway because this was a start-up company and
10 there was no value and the shares were restricted for
11 several years, and that he just wanted me to have them
12 so that nobody would accuse Mr. Comu of any, you know,
13 anything he wasn't allowed to do with that.

14 Q. Okay. Based upon what Mr. Olson had reported
15 to you at that meeting, was it your understanding that
16 the transaction that gave rise to the issuance of this
17 certificate did not close until the date this
18 certificate was issued?

19 A. Yes.

20 Q. And that date on the certificate is January 13,
21 2010?

22 A. Yes, I didn't recall. For some reason I
23 thought it was January 10th of 2010, but, at any rate,
24 it was January of 2010 was the date that the deal
25 supposedly closed and he earned his shares, share

1 certificate.

2 Q. Again, that was based upon what Mr. Olson
3 understood at the time?

4 A. Mr. Olson said that Mr. Comu had told him that.

5 Q. Okay. And is it the case that this certificate
6 -- the original certificate was given to you by
7 Mr. Olson, basically for safekeeping pending a
8 determination of whether it was property of the estate?

9 A. That was my understanding, yes.

10 Q. At that time did you have any further
11 information concerning Ganas Corp or the interest of The
12 Barclay Group in Green Auto?

13 A. No.

14 Q. In fact, based upon the representations made by
15 Mr. Comu in his schedules and at the 341 meeting, you
16 believe him to have owned one percent of that company,
17 correct?

18 A. The Barclay Group?

19 Q. Yes?

20 A. Yes, Mr. Comu had told me he owned one percent
21 of The Barclay Group.

22 Q. And when did you discover that that might not
23 be the case? Was it after you learned about the fact
24 that the stock swap with Brown and Lampe was a sham
25 transaction?

1 A. It was -- I believe that is when we began to
2 believe that we -- that there really had not been --
3 that it was not accurate for Mr. Comu to say that he
4 only owned one percent, but that was far down the road
5 in discovery before we got that information.

6 Q. Okay.

7 MR. VITAL: Your Honor, I have an
8 objection. It is just in the nature of a clarification
9 regarding foundation on the date that the testimony
10 relates to.

11 MR. ELMQUIST: I am sure I can tie that up.

12 THE COURT: Sustained.

13 Q. Ms. Reed, let's look at Exhibit 61.

14 A. Trustee's?

15 Q. Yes.

16 A. Okay.

17 Q. Now, this document, which has been admitted
18 into evidence, is the acquisition and plan of shared
19 exchange between Brown and Lampe and The Barclay Group.
20 Do you see that?

21 A. I do.

22 Q. And you will see at the bottom of the exhibits
23 there is a deposition stick marked Brown 2?

24 A. Yes.

25 Q. That, I will represent to you that that sticker

1 was affixed to this document in connection with my
2 examination of Bernard Brown. Do you recall having any
3 knowledge of this document or anything about it prior to
4 my discussion with you at his examination?

5 A. Absolutely not.

6 Q. I am not sure the exhibit number. My paralegal
7 will find it. But we have in the record Mr. Brown's
8 examination that was conducted on March 18, 2013. Take
9 a look at Exhibit 60, Trustee's Exhibit 60, Ms. Reed.

10 A. Okay.

11 Q. Turn to Page 10 of that transcript, Line 10,
12 and you see I am referring to, I state, "Take a look at
13 Exhibit 2 and tell me if that is the document you are
14 referring as the share swap. This is the one that is
15 marked."

16 And does Mr. Brown further down on Line 22
17 acknowledge that that is, in fact, the agreement?

18 A. Yes.

19 Q. Look at my question at Line 22. I ask, "And so
20 this acquisition and plan of share exchange is the only
21 document that evidences Brown and Lampe's or your
22 ownership in The Barclay Group; is that what you are
23 saying?"

24 Yeah -- and his answer is what?

25 A. "Yeah, I thought there was another one as

1 well."

2 Q. And I asked, "Another one of what?"

3 A. "Another document. Is there another document
4 or is this the only one?"

5 Q. And my question is what?

6 A. You said, "You" -- is that what you --

7 Q. Yes.

8 A. "You tell me. I don't know what documents
9 there are. What other document are you thinking about?
10 Let's go off the record a second."

11 Q. Have you ever seen any other document that
12 would indicate any ownership interest by Mr. Brown in --
13 or Brown and Lampe in The Barclay Group?

14 A. No.

15 Q. So this examination was done at March of 2013.
16 Is that at or about the time that you learned from your
17 counsel that, in fact, this transaction that supposedly
18 gave rise to a 99 percent interest to Brown and Lampe
19 was a sham transaction?

20 A. I believe that's correct, although I don't know
21 if that is the first date -- I don't quite understand
22 whether this document was produced by him at his
23 deposition. Is that what you are representing to me?

24 Q. I guess what I am representing to you is the
25 first time we had any understanding of it was at that

1 deposition.

2 A. Oh, well, that's the first time I recall your
3 suggesting to me that it was a sham transaction and that
4 you believed Mr. Comu still owns 100 percent of The
5 Barclay Group.

6 Q. So let me posit a hypothetical. If Mr. Comu
7 was the sole shareholder of The Barclay Group when that
8 sham transaction was done, and this transaction was
9 supposed to be an exchange with 100 percent of the
10 shares of The Barclay Group owned by Mr. Comu in
11 exchange for 99 percent of the stock in Brown and Lampe
12 in that exchange, and Brown and Lampe didn't exist, it
13 was not a legally existing entity, such that the
14 transaction was a sham, who then would be the 100
15 percent owner of The Barclay Group?

16 A. Mr. Comu.

17 Q. Okay. Ms. Reed, if you had known, back in
18 February 2010 when you conducted the 341 exam, that Mr.
19 Comu owned 100 percent of The Barclay Group and that The
20 Barclay Group had just completed a transaction which
21 gave rise to its right to receive 95 million shares
22 roughly of public -- of stock of a public company, would
23 you have administered this case and this estate
24 differently than you have?

25 A. Absolutely.

1 Q. Tell the Court in what respects you would have
2 administered the case differently?

3 A. Well, I certainly would have taken steps to
4 assess whether I needed to take control of The Barclay
5 Group or, at least, freeze its assets so that those
6 assets couldn't be transferred out of The Barclay Group.

7 Q. Okay. I would like you to take a look at
8 Trustee's Exhibit 18. This is the 2010 tax return.
9 Actually let's look at 17 first. That is the 2009 tax
10 return for The Barclay Group. Are you there?

11 A. I am.

12 Q. Okay. Take a look at the fifth page of the tax
13 return and tell me whether there is a balance sheet
14 completed for this return?

15 A. There is not.

16 Q. And it is your understanding that there is no
17 balance sheet completed for Exhibit 17 because no
18 balance sheet was required, given the fact that there
19 was only 209 or \$210,000 of income that year?

20 A. Yes.

21 Q. Now, let's take a look at Exhibit 18, which is
22 the 2010 return for The Barclay Group. And the reported
23 income or reported gross receipts that year was
24 2,366,775, correct?

25 A. Yes.

1 Q. Given that income, a balance sheet was
2 required, correct?

3 A. That's my understanding.

4 Q. Okay. Take a look at Page Five.

5 A. Okay.

6 Q. You see that there is a balance sheet completed
7 for the beginning of the tax year and the end of the tax
8 year?

9 A. Yes.

10 Q. For this return the beginning of the tax year
11 would be 1/1/10, correct?

12 A. Correct.

13 Q. So that would effectively have been the date,
14 more or less, that the bankruptcy case was filed?

15 A. It was the following day, yes.

16 Q. And what does the balance sheet show as far as
17 assets of The Barclay Group?

18 A. At the beginning of the year it says it has
19 48,000 in trade notes and accounts receivable.

20 Q. And what does it show for liability?

21 A. Only the thousand dollars common stock.

22 Q. If the Green Auto transaction closed effective
23 November 2019 (sic) and The Barclay Group was entitled
24 to receive 95 million shares of Green Auto stock, should
25 that stock have been listed in this balance sheet as an

1 asset --

2 A. Which asset again?

3 Q. Yes, if The Barclay Group was entitled to
4 receive 95 million shares of Green Auto stock as of
5 1/1/10, should that entitlement, that asset, that right
6 to receive those certificates, been listed as an asset
7 of The Barclay Group?

8 A. I don't know the answer to that. If it had not
9 been received, I don't know that, at the beginning of
10 the year, it would have been required.

11 Q. What about at the end of the year, if the stock
12 was still owned?

13 A. I would think that it needed to be listed.

14 Q. Okay. From the standpoint of your liquidating
15 the stock of The Barclay Group, at which -- well, let me
16 ask you this question. If Mr. Comu owned 100 percent
17 The Barclay Group and The Barclay Group had 95 million
18 shares of Green Auto stock, what would you have done, as
19 it relates to liquidating the assets of The Barclay
20 Group, if anything, in administering this estate?

21 A. Well, barring any -- a trustee has to be
22 careful when there is a separate business entity owned
23 by the debtor, because you don't know what kind of
24 liabilities you might be bringing into your estate,
25 along with the assets of the company, if you take steps

1 to bring the company basically into the -- into the
2 bankruptcy estate. So barring any discovery of
3 significant liabilities or debts -- and I mean
4 liabilities like, you know, potential claims or anything
5 that could be brought into the estate -- I would
6 liquidate The Barclay Group, liquidate the assets of The
7 Barclay Group for the benefit of Mr. Comu's creditors.

8 Q. So, in other words, you would have taken steps
9 in your regional business judgment to sell the stock of
10 Green Auto that had been issued to The Barclay Group?

11 A. I would or to sell the shares of The Barclay
12 Group.

13 Q. Okay. And you didn't do that in this case
14 because you didn't know that Mr. Comu owned 100 percent
15 of the company; is that right?

16 A. Correct.

17 Q. Ms. Reed, as this case progressed, you obtained
18 information concerning Green Auto stock and its
19 tradability or restrictions and impediments to sell on a
20 public market, correct?

21 A. Yes.

22 Q. Okay. And through the course of obtaining
23 information about that, did you learn that the stock
24 that had been issued in connection with the merger --
25 that the restrictions on that stock would lift on or

1 about December 23, 2013?

2 A. I did become aware of that. It wasn't that --
3 Let me just add that that date had not been established
4 when the bankruptcy case was first filed. The
5 restriction on the face of the shares of stock doesn't
6 contain that date. Mr. Olson told me it would be
7 several years, because certain things had to happen
8 before the stock could be publicly traded.

9 Q. How did you learn that a restriction on the
10 trading of the stock would be lifted on December 23,
11 2013?

12 A. I learned somehow through this litigation -- I
13 can't tell you exactly -- that there was litigation in
14 Arizona where Mr. Comu had been causing some shares of
15 stock, I believe, to be sold, some restricted shares of
16 stock to be sold, but the restriction was not printed on
17 the face of the certificates. And so Mr. Comu or The
18 Barclay Group or various business entities had been sued
19 to stop the sale of the restricted shares and caused
20 them to return the shares and have the restriction
21 printed on the face of it. And in the course of that
22 litigation the Judge --

23 Q. Ms. Reed, let me interrupt, just so the Court
24 understands. Was that lawsuit brought by Green Auto?

25 A. I believe it was, yeah.

1 Q. And it was brought to enjoin the sale of that
2 stock?

3 A. Exactly.

4 Q. Okay.

5 A. And so, during the course of that litigation,
6 the Judge found that all the reporting requirements to
7 the SEC to make these shares become unrestricted had
8 been -- I forget the terminology as far as what was
9 filed, but the papers had been filed that would cause
10 these shares of stock to be unrestricted as of December
11 2013.

12 Q. Okay. And so did you have some concern about
13 the stock that was in the control of Mr. Comu, either
14 through The Barclay Group, with other business entities?
15 When I say this stock, I am referring to Green Auto
16 stock. That that stock that would become unrestricted
17 would be sold by Mr. Comu before this trial would
18 determine ownership?

19 A. I did.

20 Q. Did you, by virtue of that concern, ask me to
21 seek, through agreement or otherwise, an injunction
22 against the sale of that stock by Mr. Comu and
23 affiliated entities?

24 A. I did.

25 Q. And was an agreed injunction entered in the

1 case by December 20, 2013?

2 A. I don't remember if that is the vehicle that
3 was used, but I do know that there was an agreement
4 reached and the --

5 Q. But there was, in fact, an injunction issued.

6 MR. ELMQUIST: Ask the Court to take
7 judicial notice of that injunction, for purposes of this
8 record.

9 THE COURT: The Court will do so.

10 Q. Okay. So an injunction was issued upon --
11 well, actually initially a TRO and then a preliminary
12 injunction.

13 MR. ELMQUIST: And, Your Honor, if I might
14 ask that the Court take judicial notice of both the
15 original TRO and the preliminary injunction that was
16 later entered.

17 THE COURT: The Court will do so.

18 Q. And so, based upon that injunction, it is your
19 belief that there would be no stock sold by Mr. Comu or
20 any affiliated entities because of that injunction; is
21 that correct?

22 A. No Green Automotive stock, that's correct.

23 Q. Okay. Ms. Reed, you are not -- in this lawsuit
24 that has been filed -- And we have filed a complaint and
25 intervention, correct?

1 A. Correct.

2 Q. Or you have filed. And the complaint and
3 intervention is essentially to have this Court determine
4 that Mr. Comu is the de facto owner of The Barclay Group
5 and that Sunset Pacific is also an asset of the estate
6 because of joint control of that partnership; is that
7 right?

8 A. Correct.

9 Q. And that you are seeking the alterego
10 determination that would hold The Barclay Group, Sunset
11 Pacific and Mr. Comu, jointly and severally, liable for
12 the obligations of this estate?

13 A. Yes.

14 Q. You did not, based upon information you had at
15 the time the complaint and intervention was filed, you
16 did not chose to joint in the relief sought by the
17 plaintiffs to have Mr. Comu's discharge revoked; is that
18 right?

19 A. That's correct.

20 Q. Based upon what you have learned -- let me back
21 up a second. This morning we discussed evidence from
22 the standpoint of what had been learned about the
23 effective date of the merger, right?

24 A. Yes, yes.

25 Q. And I informed you that there were several

1 pieces of clear evidence that indicated the merger was
2 closed in November of 2009?

3 A. Correct.

4 Q. And you recall that Mr. Olson, basically
5 representing what his client had told him, was that that
6 merger had not closed until January and that that was,
7 in fact, Mr. Comu's testimony throughout this case; is
8 that right?

9 A. Correct.

10 Q. And that that -- those representations
11 materially affected the manner in which you handled this
12 case?

13 A. Yes.

14 Q. Knowing what you know today, that, in fact, the
15 merger closed prior to the filing and Mr. Comu knew that
16 it closed prior to the filing, has your position changed
17 with respect to whether or not you feel Mr. Comu's
18 discharge should be revoked?

19 A. If I knew then what I know now, I would have
20 joined in the request to revoke the discharge, yes.

21 MR. ELMQUIST: All right. Do we have the
22 email marked as an exhibit?

23 MS. HANKS: No, I don't have it out. We
24 didn't -- I don't have it on my system.

25 MR. OLSON: The bank statement?

1 MR. ELMQUIST: Yeah.

2 MR. OLSEN: December '10?

3 MR. ELMQUIST: (Inaudible)

4 MS. HANKS: It is not uploaded yet.

5 MR. ELMQUIST: Your Honor, do you have a
6 copy of (Inaudible)?

7 THE COURT: I do.

8 MR. ELMQUIST: May I approach, Your Honor.

9 THE COURT: You may.

10 Q. I am handing you what has been marked as
11 Defendant's 10, Exhibit 10. Take a moment to review
12 this, Ms. Reed, and tell me whether you have seen this
13 document before today, before now.

14 A. Is there a question coming?

15 Q. My question was: Have you seen this document
16 before?

17 A. I have not.

18 Q. I will represent to you that this pertains
19 to -- well, take a look at the second page, and you will
20 see, towards the middle of the page, there is the
21 debtor's name and a line and then a figure below it of
22 5,037, looks like, 85. Do you see that?

23 A. I do.

24 Q. I will represent to you, because Mr. Olson has
25 represented it to me on behalf of his client, that this

1 figure represents, as of February 13, 2012, or, I guess,
2 as of July 24, 2012, the balance of an account in
3 Istanbul, Turkey, in Mr. Comu's name. And my question
4 to you is: Prior to receiving this document, were you
5 aware that Mr. Comu had an offshore account in Turkey
6 with \$5,000, roughly, in it?

7 A. Not until today.

8 Q. Had you been informed of this previously, what
9 would you have done?

10 A. I would have made demand, either directly to
11 the bank or demand of Mr. Comu, that he get that money
12 to me.

13 Q. And that would be because this \$5,000 is
14 property of the bankruptcy estate?

15 A. It is an undisclosed asset of the bankruptcy
16 estate, yes.

17 Q. And, well, let me back up and tell you that it
18 has been further represented to me and perhaps Mr. Comu
19 that this account has been open for ten years --

20 A. I see that in there, in the cover statement
21 from Mr. Comu to Mr. Olson.

22 Q. Which would immediately, without any question,
23 be property of the estate?

24 A. Yes.

25 Q. Is this another reason why you believe, in this

1 instance, Mr. Comu's discharge should be revoked?

2 A. It is.

3 Q. Okay.

4 MR. ELMQUIST: Pass the witness.

5 THE COURT: Mr. Olson.

6 CROSS EXAMINATION

7 Of Diane Reed by Mr. Olson:

8 Q. Ms. Reed, you and I have visited two or three
9 times during the course of this case; is that right?

10 A. Yes, that's right.

11 Q. And I was not able to attend the meeting of
12 creditors, but I have read the transcript, and I assume
13 you have, too, or replayed the audio. Would it be fair
14 to say that Mr. Lippe and Mr. Epstein were very dubious
15 about the testimony that Mr. Comu gave at the meeting of
16 creditors?

17 A. I think that is accurate, yes.

18 Q. In fact, it was confrontational at times?

19 A. Yes.

20 Q. And the Court can read the transcript, and it
21 had been admitted in evidence, and I don't want to go
22 over it line by line, but I want to highlight a couple
23 of things for you.

24 Let me start with when we get to
25 Mr. Epstein. Look at Page 14 of the transcript in the

1 middle of the page where you ask Mr. Epstein, "Do you
2 believe you have a claim against Mr. Comu personally
3 individually?" Have you found that?

4 A. I see it, yes.

5 Q. He told you, "I actually think that Mr. Comu
6 has not been truthful in his testimony here or in the
7 documents that I looked at, and I believe that he has
8 bilked the shareholders and just taken the money
9 personally, a lot of these companies he said he started,
10 ma'am."

11 Mr. Lippe was present for that; was he not?

12 A. He was.

13 Q. In fact, he and Mr. Epstein were sitting
14 together, weren't they?

15 A. Yes.

16 Q. Did you see him arrive at the meeting of
17 creditors?

18 A. I don't recall that, no.

19 Q. All right. Now, also at the bottom of that
20 page you see Mr. Epstein say, "Mr. Comu, in these
21 documents where he claims he only owns one percent, I
22 believe he owns more than one percent, and those moneys
23 or those shares should be available to creditors, which
24 the shareholders will be asking for their money." Do
25 you remember that?

1 MR. VITAL: Excuse me, what page are you
2 at?

3 MR. OLSEN: Bottom of Page 14.

4 MR. VITAL: Thank you.

5 A. I see that.

6 Q. Do you recall that testimony?

7 A. I do. That's in reference to the Sun entities.

8 Q. Yeah. And, again, down at the bottom of Page
9 15, Mr. Epstein, "You will see that Mr. Comu, if you
10 look at his background, has been on a spree bilking
11 investors"?

12 A. I see that.

13 Q. And Mr. Epstein says, on Page 16 in the middle
14 of the page, "Well, I want to ask him about why are all
15 the books and records that would be held under one
16 company at Sun Sports, including The Barclay Group, and
17 all that, why he is on every contract that has to do
18 with The Barclay Group and, of course, Sunset Pacific."
19 Do you see that?

20 A. I do.

21 Q. And Mr. Lippe was present for all of that?

22 A. Yes.

23 Q. And Epstein goes on, "Anything that he has done
24 I have a record of, though, you know, and he shows up on
25 all the records of all the contracts for The Barclay

1 Group, and he is doing business, not one signature of
2 Bernard Brown."

3 A. I see that.

4 Q. Do you see that? On Page 17 you see where
5 Mr. Epstein says, "I have never seen Phyliss Comu ever.
6 I guess she wouldn't know anything about any one of
7 these companies. Same thing to do with Bernard Brown
8 who lives in France; the only deals he has ever done
9 with C.J. is converting C.J.'s stock into cash and
10 sending him back cash."

11 A. I see that.

12 Q. And Mr. Lippe heard all that?

13 A. Yes.

14 Q. And then on the bottom of Page 18 you see where
15 you told Mr. Lippe you wanted to talk to him about the
16 causes of action that he believes he has, and you wanted
17 to see if there was any interest in the estate to lay
18 claim to any of those?

19 A. I see that.

20 Q. And then on Page 19 you are saying that, "There
21 appears to be things that need to be looked into as to
22 dischargeability issues."

23 Do you see Mr. Lippe's comment, "Well, we
24 will be"?

25 A. I see that.

1 Q. And then on Page 21 do you see where you
2 invited Mr. Epstein to let you know what causes he
3 thought he had, and he said he would put them in writing
4 and send them to you?

5 A. Yes.

6 Q. And then do you see where you said you would be
7 delighted to look at that and see if there is any claims
8 that you could make?

9 A. Yes.

10 Q. And then on Page 23 do you see where you asked,
11 "Mr. Lippe, do you know of anything else I should be
12 asking for?"

13 And Lippe says, "No, we are trying to -- we
14 will do a lot of exploring in Sunset Pacific. We
15 believe it has been used to hide assets from creditors"?

16 A. Yes.

17 Q. Do you remember that?

18 A. Yes.

19 Q. And on Page 27 by that point you are starting
20 the list of things that you wanted the debtor to produce
21 for you?

22 A. Okay, yes.

23 Q. Now, when I came out and met with you on
24 March 8th, I guess, of 2010, and brought you the stock
25 certificates, the cash, the bank statements and tax

1 returns and whatever else it was that you had asked for,
2 if you look at your case notes, Defendant's Exhibit 5,
3 did you contact Mr. Lippe and invite him to come out and
4 look at all of that?

5 A. I did.

6 Q. Did he do that?

7 A. Yes, he did.

8 Q. What date did he come out and review those
9 documents?

10 A. I believe it was March -- Let's see. You came
11 out on March --

12 Q. 8th, I believe.

13 A. -- 8th, and Mr. Lippe came on March 24th.

14 Q. And that was before the deadline to object to
15 the discharge?

16 A. Yes.

17 Q. And just tell us what you recall about that
18 meeting with Mr. Lippe on March 24th?

19 A. Mr. Lippe and I looked at all the documents and
20 things you had delivered. I had already put the money
21 in the bank, of course. I didn't have the check but --

22 Q. Right.

23 A. -- all the rest of the things, we looked
24 through those, and I told him about your comments about
25 the Ganas stock and why it had no value, and he asked

1 for copies. I didn't keep any record of exactly what he
2 wanted copied, but he went through all of the documents
3 and things that you -- and he may have asked for just a
4 copy of everything. I just don't recall. I know I
5 transmitted some copies to him, but I don't remember
6 what they are.

7 And we talked about him being my special
8 counsel, because he obviously was farther along than I
9 was on the asset discovery and things like that. And he
10 indicated he was very interested in being my special
11 counsel.

12 Q. Well, and at the meeting of creditors, I didn't
13 go over it, but I think you will find in the transcript
14 there was discussion of whether there were going to be
15 2004 examinations and so on. Do you recall that?

16 A. I think so, yes.

17 Q. And for a trustee to encounter that type of
18 creditor interest in a Chapter Seven case, is it fairly
19 typical for the trustee to say, "If you want to be my
20 special counsel and run with that, I will consider
21 that"?

22 A. Absolutely.

23 Q. Because you don't have the resources or the
24 time to run down every allegation that comes up?

25 A. Well, I mean I certainly could employ some

1 other attorney, but in a case as complicated as this,
2 where there were clearly assets that needed to be
3 explored, I need counsel.

4 Q. Sure.

5 A. And Mr. Lippe, as I said, was so far ahead of
6 the curve with respect to asset discovery that I -- it
7 is not at all unusual for the trustee to use creditors'
8 counsel that is so far ahead on the curve.

9 Q. Sure. And, again, it is just a better use of
10 your resources and time?

11 A. Right.

12 Q. Did he tell you in that meeting on March 24th
13 the types of things that he thought should be pursued?

14 A. Well, my recollection is that Mr. Lippe and
15 Mr. Epstein, though, were focused so much on the Sun
16 Sports and Sun Pacific aspects of the case, they felt
17 that -- of course, Mr. Epstein's interest in this case
18 was through the Sun Sports and Sun Pacific --

19 Q. Right.

20 A. -- entities. So they both were very interested
21 in that. And Mr. Lippe, when I told him -- when I
22 showed him the stock certificate and told him I didn't
23 think it had any value for the reasons that you had
24 explained to me -- shares were restricted, couldn't
25 really be sold on an active market unless you had a

1 private sale, and they weren't property of the estate
2 anyway -- and he sort of analyzed that a little bit and
3 said he agreed with me that that probably didn't have
4 any value, but he was glad to know, you know, where it
5 was, where the share certificates were -- share
6 certificate is, but that he believed the real value in
7 this estate was in this Sun Pacific interest that he
8 thinks should not -- I mean that they should be brought
9 into the estate, that they should not be the wife's
10 separate property.

11 Q. Now, he also, by that time, had filed a proof
12 of claim based on their fraud judgment in New York?

13 A. I don't recall when he filed his proof of
14 claim.

15 Q. But was there any discussion of that fraud
16 judgment, the background for his claims?

17 A. I don't recall.

18 Q. Well, if he wanted to get an exception to
19 discharge for that, he certainly could do that?

20 A. Yes.

21 Q. And trustee's don't file 523s; they file 727s?

22 A. That's correct. That's correct.

23 Q. And did you tell him, you know, that he needed
24 to do something before the deadline?

25 A. No.

1 Q. But you all had had that discussion at the
2 meeting of creditors as to the deadline?

3 A. I don't know that we ever discussed the
4 deadline. I do -- I did see the reference in the
5 transcript that he said he would be filing a
6 dischargeability complaint.

7 Q. But he never went forward with any Rule 2004
8 exams?

9 A. To my knowledge, no.

10 Q. Never requested any extension of the deadline
11 to object to the discharge?

12 A. No.

13 Q. And you never told him to submit an application
14 to be employed as your special counsel?

15 A. I actually did prepare and file an application
16 to employ him as my special counsel.

17 Q. Well, the Court's docket sheet will show
18 whatever it shows, but wasn't that sometime after the
19 discharge was issued?

20 A. Oh, yes.

21 Q. So not before the discharge deadline?

22 A. Not before the discharge deadline, no.

23 Q. So I have done this in depositions. I haven't
24 done this necessarily in a court proceeding, but I think
25 it is fair in this case. Is there anything else you

1 would like to tell the Judge about this case that maybe
2 the lawyers haven't asked you yet?

3 A. I can't think of anything, no, thank you.

4 MR. OLSEN: You bet. I pass the witness.

5 THE COURT: Do plaintiffs have any
6 examination?

7 MR. VITAL: Yes, Your Honor.

8 THE COURT: You may proceed. Are you
9 ready?

10 MR. VITAL: May I proceed, Your Honor?

11 THE COURT: You may.

12 MR. VITAL: Thank you.

13 CROSS EXAMINATION

14 Of Diane Reed by Mr. Vital:

15 Q. My name is Victor Vital, Ms. Reed. You and I
16 have never met before.

17 A. That's right.

18 Q. I would like to start with the -- one of the
19 last things you were asked about the objection to
20 discharge and to 523. Do you know what the exception or
21 objection to discharge would have been on behalf of our
22 client KLM or King Louie Mining?

23 A. It is my understanding that there was a fraud
24 complaint as a part of the lawsuit and that the Court
25 had found fraud, and so that judgment would be excepted

1 from discharge on the basis of fraud.

2 Q. Do you know if that fraud judgment had anything
3 to do with The Barclay Group?

4 A. I do not know.

5 Q. Or Go Green or Ganas or Green Auto?

6 A. I am sure it did not.

7 Q. And you are sure it did not, because Go Green,
8 Ganas and Green Auto were things that you, yourself,
9 indeed, did not know about before discharge; is that
10 right?

11 A. Certainly any sort of fraud with respect to Go
12 Green or Ganas I didn't know about.

13 Q. Yes, ma'am.

14 A. I did know about that share certificate.

15 Q. Now, that share certificate is interesting. We
16 don't necessarily have to pull it up because we have
17 seen it, but it is a Ganas share certificate, right?

18 A. Correct.

19 Q. Did Mr. Olson explain to you, on behalf of his
20 client or as communicated by his client, that there was
21 some transaction for that Ganas certificate that related
22 to something called Green Auto?

23 A. I don't recall any specifics about how the
24 share certificate was earned.

25 Q. So, so it is clear for the Court, your

1 testimony, for the record, is that you don't recall
2 specifically Mr. Olson communicating to you on behalf of
3 his client that there was some transaction called Green
4 Automotive, right?

5 A. No, my recollection of Mr. Olson's statement to
6 me was something like: This is a company that he did
7 some work for, and he did a deal, put a deal together
8 for them, and it closed in January, and he got this as
9 his fee. It is not worth anything, but I mean that -- I
10 don't recall that there was specifically any mention of
11 anything except Ganas.

12 Q. Ganas?

13 A. Ganas name.

14 Q. And to that point, Ms. Reed, you don't recall
15 trying to transport yourself back to 2010 in February,
16 as best as you can, that there was any reference in that
17 meeting, that February 2010 meeting with Mr. Olson, to
18 an entity called Green Automotive?

19 A. It was March of 2010.

20 Q. March, I am sorry.

21 A. But I don't -- I don't recall any mention of
22 Green Automotive at that time. I mean I am not saying
23 it didn't happen. He could have mentioned it in
24 passing, that this is the old name and now there is a
25 new name.

1 Q. But you just don't recall?

2 A. I just don't recall, huh-uh.

3 Q. Certainly it is not reflected in any notes you
4 have?

5 A. Right.

6 Q. And I have read that transcript, the creditors'
7 meeting transcript that Mr. Olson took some time to go
8 over with you, and I don't remember any reference to
9 anything called Go Green. Do you remember that in
10 there?

11 A. No.

12 Q. And Mr. Comu was at that meeting, right?

13 A. Yes.

14 Q. And as you understand it through your
15 testimony -- as you understand it --

16 A. Let me make sure. When you say that meeting,
17 you mean the meeting of creditors?

18 Q. Yes, ma'am, on February 9th, 2010.

19 A. Yes, he was at the meeting of creditors. He
20 testified.

21 Q. And as you understand it right now, based upon
22 all the discovery that has been amassed by your able
23 counsel as well as our law firm and Mr. Lippe, Mr. Comu
24 knew quite a bit about Go Green; is that right?

25 A. Yes.

1 Q. And that didn't make it into the record of that
2 meeting, did it?

3 A. That's correct.

4 Q. That is not something he volunteered, is it?

5 A. That's correct.

6 Q. And that is something that you certainly would
7 have wanted to know; is that right?

8 A. Yes, and he -- I mean, most importantly to me,
9 is I cautioned him that there were several things in his
10 schedules that appeared to be blank that should not have
11 been blank. There were things that needed to be
12 disclosed, and I cautioned him to be sure and look at
13 every single question and make sure that he had answered
14 completely.

15 And to this day he has never amended the
16 schedules to show either the shares of Ganas stock or
17 his right to receive the shares of Ganas stock, which is
18 my understanding now that, as of December 31, 2010, he
19 might not have had the share certificate in his hand,
20 but he did have the right to receive that share
21 certificate, and it has never been disclosed in his
22 schedules.

23 MR. ELMQUIST: Just a second. I think she
24 misspoke. I think she meant December 31, 2009.

25 A. I don't know what I said. I am sorry.

1 Q. December 31, 2010, I think.

2 A. 2009, on the day he filed bankruptcy, he
3 already had a right, at least a right, to that share
4 certificate, and he has never amended his schedules to
5 disclose that asset.

6 Q. So, in fact, what we have learned and what you
7 have learned as well is that there were sales of Green
8 Auto stock or there were transactions being set up even
9 before the bankruptcy was filed, right?

10 A. Sales by The Barclay Group, is that what you
11 are talking about?

12 Q. Yes, Green Automotive shares?

13 A. Yes.

14 Q. All right.

15 A. I believe The Barclay Group -- for some reason
16 I don't know why Mr. Comu's stock certificate says
17 Ganas, but I believe some of the share certificates
18 issued to The Barclay Group say Green Automotive.

19 Q. Have you seen any other share certificates that
20 have Ganas on them, as opposed to Green Automotive?

21 A. I don't recall ever seeing any others with that
22 name on it.

23 Q. Now, you know, I liked to read this book when I
24 was a little kid. It is called Encyclopedia Brown. It
25 was a little mystery type book. I just like mysteries

1 personally.

2 Do you find it curious, as I do, that those
3 share certificates -- that share certificate for the
4 300,000 shares is in the name of Ganas and not Green
5 Automotive? Has that crossed your mind?

6 A. I think it is curious, yes.

7 Q. And that has crossed your mind as curious
8 before I asked you that question, right?

9 A. Absolutely.

10 Q. Would you explain to the Court why you find
11 that curious?

12 A. Well, just because I have seen, you know,
13 some -- I have seen the litigation, for example, out in
14 Arizona and some things that The Barclay Group has done,
15 and I wondered because a part of this -- a part of the
16 merger and acquisition was that Ganas would actually
17 become Green Automotive, change its name, by change of
18 name become Green Automotive.

19 And so far as I know the share certificate
20 -- I mean I know there were some share certificates
21 issued later that probably said Green Automotive, and so
22 the explanation might be that this particular share
23 certificate was issued before they got their new share
24 certificates issued in the new name. That may be the
25 answer. But I have been curious about why everyone else

1 seems to have gotten Green Automotive stock, and Mr.
2 Comu got Ganas stock.

3 Q. So what I find interesting, let me ask you if
4 you agree, is that that certificate could have been
5 issued in the name of Ganas and handed to you, to the
6 extent you say it was handed to you, to throw you off
7 the trail, so to speak, so that you did not like connect
8 any dots and figure out, well, what is this Green
9 Automotive, as opposed to this Ganas entity that was not
10 actually on the open market making share transactions?

11 A. I have no idea why, why that happened.

12 Q. So let's talk a little bit more about the
13 February 9, 2010, creditors' meeting. I asked you
14 specifically about whether Mr. Comu, after your caution
15 to him, made reference to Go Green and you said no.
16 Also let me ask you if there was any reference to Ganas
17 at that meeting?

18 A. No.

19 Q. Was there any reference to Green Automotive?

20 A. No.

21 Q. Now, there was reference to The Barclay Group
22 at that creditors' meeting; is that right?

23 A. Yes.

24 Q. But there was no reference in that creditors'
25 meeting, by Mr. Comu or anybody else, about the Barclay

1 Group's involvement with Go Green, right?

2 A. Correct, he told me -- in essence he told me --
3 he didn't say -- he didn't answer as directly as I would
4 like to have people answer my questions, but he, in
5 essence, told me that The Barclay Group didn't have any
6 assets.

7 Q. Okay. So you certainly didn't know and had no
8 idea that The Barclay Group had any interaction with Go
9 Green, right?

10 A. Exactly, or owned \$95 million shares.

11 Q. Or Ganas?

12 A. Right.

13 Q. Or Green Automotive?

14 A. Correct.

15 Q. Now, there has been a lot of -- Epstein,
16 Buckeye Epstein, is that his name?

17 A. That's his name.

18 Q. Is that his real name?

19 A. That's his real name.

20 Q. That's a curious name. I wonder if he went to
21 Ohio State. Anyway --

22 A. I had to ask him that on the record, too.

23 Q. Did you? Yeah, all right. Here is the
24 question I have: What did Buckeye --

25 A. Buckeye.

1 Q. What did Buckeye say about Green Automotive?

2 A. Nothing.

3 Q. What did Buckeye say about Ganas?

4 A. Nothing.

5 Q. What did Buckeye say about Go Green?

6 A. Nothing.

7 Q. What did Mr. Lippe say about Go Green?

8 A. Nothing.

9 Q. What did Mr. Lippe say about Ganas?

10 A. Nothing.

11 Q. Green Automotive?

12 A. Nothing.

13 Q. Now, I took some notes when you were testifying
14 and you made reference to the meeting that you had with
15 Mr. Lippe in your offices. I think that meeting was
16 March 24, 2010, right?

17 A. Yes, uh-huh.

18 Q. Now, during that meeting Mr. Lippe was
19 saying -- was talking about what he thought -- or where
20 he thought the real value to be in this case, right?

21 A. Yes.

22 Q. And I wrote this down. I just wanted to make
23 sure I had it right, that Mr. Lippe said the real value
24 was in Sunset Pacific?

25 A. I don't know --

1 Q. Or Sun Sports?

2 A. The Sun entities seemed to be where he thought
3 Mr. Comu had managed to get assets transferred to his
4 wife so that he didn't have to list them in his
5 bankruptcy schedules.

6 Q. Now, during that meeting, just to be clear,
7 just like at the creditors' meeting -- or let me give
8 you a better question, and this is more for the record.
9 So at the March 24, 2010 meeting, just as was the case
10 at the creditors' meeting, Mr. Lippe said nothing to you
11 regarding anything concerning Green Automotive, right?

12 A. Correct.

13 Q. Or Ganas?

14 A. Well, we discussed the share certificate.

15 Q. But other than that, there was no discussion?

16 A. No.

17 Q. Certainly no discussion about Mr. Comu's
18 personal involvement with Green Automotive?

19 A. Nothing.

20 Q. Or The Barclay Group's involvement with Go
21 Green, Ganas or Green Automotive?

22 A. Nothing.

23 Q. Now, I also took some notes about what
24 Mr. Olson communicated to you, and just to be clear
25 these are not Mr. Olson's representations; this is what

1 he is telling you from his client, right?

2 A. Exactly.

3 Q. So you understand that, when Mr. Olson is
4 communicating to you, these are not his representations;
5 these are his clients?

6 A. Mr. Olson was -- I think Mr. Olson is a careful
7 attorney, and I think he was careful to say to me, "C.J.
8 says that" --

9 Q. That's right, and I just want to be clear
10 because this is not Mr. Olson's -- this is not him at
11 issue; this is his client, right?

12 A. That is correct. I don't think Mr. Olson did
13 any personal investigation of these facts. He was just
14 telling me what his client represented.

15 Q. And that is all he can do is ask his client,
16 right?

17 A. Correct.

18 Q. Just like we ask the debtor in these schedules
19 to, in essence, do the same thing, to tell us what is
20 here, right?

21 A. Correct.

22 Q. So either through his lawyer or through
23 schedules, that is what we have to go on is what he
24 says, right?

25 A. Correct.

1 Q. That is where the focus is, right?

2 A. Correct.

3 Q. All right. So what Mr. Olson communicated to
4 you from his client is that he did not -- that his
5 client did not believe that these Ganas shares were
6 property of the estate, right?

7 A. Correct.

8 Q. He did not think they had any value, right?

9 A. Correct.

10 Q. Because it was a start-up company, right?

11 A. Several reasons.

12 Q. And the shares were restricted, right?

13 A. Correct.

14 Q. So -- and that was communicated to you before
15 you met with Mr. Lippe, right?

16 A. Correct.

17 Q. So when you met with Mr. Lippe what you did, as
18 a careful trustee, is communicate to Mr. Lippe, who is
19 like curious about what is going on, what is
20 communicated by C.J. Comu, right?

21 A. Exactly.

22 Q. And you relayed very carefully exactly what
23 C.J. Comu had communicated to you through his lawyer,
24 right?

25 A. I believe so.

1 Q. And it appears to me from listening to your
2 testimony that Mr. Lippe reached the same conclusion
3 that you reached after analyzing the information
4 communicated to you by Mr. Olson, right?

5 A. Correct.

6 Q. And that conclusion was, well, we are glad to
7 have these shares here, but they don't seem to mean
8 anything; is that right?

9 A. I think not that they don't seem to mean
10 anything, but that maybe down the road, you know, if
11 this case stays open long enough, maybe these shares
12 will have some value, and we may want to focus on some
13 way to try to liquidate them for the benefit of the
14 estate.

15 Q. But at the present time that you and Mr. Lippe
16 were having a conversation, the gist of the analysis
17 that Mr. Lippe reached in your presence was the same
18 analysis that you reached that at that present time they
19 had no value?

20 A. Exactly.

21 Q. And that is exactly the message that Mr. Comu
22 wanted communicated; is that right?

23 A. Exactly.

24 Q. So did Mr. Lippe seem to -- let me ask you
25 this: Do you have that same belief right now about

1 these shares not having value and just sticking them in
2 a cabinet and not doing anything, because of what was
3 communicated to you by Mr. Olson on behalf of his
4 client? Let me give you a --

5 A. Today I think the answer is completely
6 different.

7 Q. There you go. Could you tell me about it?

8 A. I think at that time when we made the analysis
9 I think it was a valid analysis that the shares of stock
10 probably didn't have a lot of value and that the -- I am
11 not a securities attorney, I am a bankruptcy attorney,
12 so the fact that the shares would be restricted for a
13 number of years, I probably gave too much weight to
14 that, in terms of whether or not I would be able to
15 liquidate them for anything. But the whole -- all those
16 facts together made me believe that, you know, this was
17 just a minor asset that we might some day be able to
18 administer.

19 Q. And the restricted issue was something that
20 C.J. Comu injected into the analysis; is that right?

21 A. Well, he did, but it is also stated right on
22 the face of the certificate.

23 Q. I understand that.

24 A. But he did say -- he did represent through his
25 attorney that the fact that they were restricted caused

1 them to have no value.

2 Q. Now, have you come to understand that there
3 were shares that were purportedly or actually restricted
4 that were being sold on the open markets?

5 MR. OLSEN: Objection, I think that
6 mischaracterizes the testimony.

7 THE COURT: Response?

8 MR. VITAL: I can rephrase it.

9 THE COURT: Sustained.

10 Q. Do you know whether there are actually -- there
11 were actually shares that were purportedly or actually
12 restricted that were being sold by The Barclay Group on
13 the open market?

14 A. It is my understanding --

15 MR. OLSEN: Objection, the thing that we
16 complain about is these shares were never sold on the
17 open market.

18 MR. VITAL: I can still rephrase it, yeah,
19 because I think we are just talking about -- quibbling
20 about words.

21 THE COURT: Sustained.

22 Q. I will just give it to you real plain like
23 "Dick saw Jane." Do you know whether there were Green
24 Automotive shares that were purportedly or actually
25 restricted that were being sold?

1 A. Could I just answer that in a little bit
2 narrative?

3 Q. Yes, ma'am, please.

4 A. It is my understanding from the litigation out
5 in Arizona that there were some shares of stock that
6 were actually restricted, but they didn't have the
7 restricted covenant placed on the face of the shares of
8 stock, and those were being sold, and Green Automotive
9 moved to -- complained to enjoin the sale of those
10 shares of stock.

11 Q. And that is the Utah litigation?

12 A. I am sorry. Was it Utah?

13 Q. Yes, ma'am.

14 A. Okay. I said Arizona earlier, too, I was
15 thinking. So I don't know if that answers your question
16 or not.

17 Q. It does. It answers it perfectly. I
18 appreciate it.

19 So I am going to the Docket Number 11 in
20 this case, and I am going to put it on the Elmo. I like
21 the name Elmo; I just like that. So right here there is
22 a disclosure in the schedules by the debtor of a one
23 percent ownership in Sunset Pacific. Do you see that?

24 A. I do.

25 Q. Now, regardless of who owns Sunset Pacific --

1 and that is not something we need to get into because
2 the Judge has heard testimony about that -- what this
3 disclosure purports to disclose is that Sunset Pacific
4 owns shares in Sun Sports; is that right? Is that how
5 you read that, same way I read it, that there is some
6 common stock in Sun Sports and Entertainment that are
7 being held by the Sunset Pacific, LP?

8 A. That is not the way I would read that, no.

9 Q. How would you read that?

10 A. I would read that to say Mr. Comu -- between
11 those two long lines, Mr. Comu has listed four assets --
12 no, I don't know. One of his assets is a one percent
13 ownership in Sunset Pacific, LP, and his wife owns the
14 other -- as an explanation, his wife owns the other --
15 it is 98 percent and one percent by his brother.

16 The second thing is common stock of Sun
17 Sports and Entertainment, Inc., 77,760 share -- thousand
18 497 shares at a price of .0001 shares at Titan
19 Securities, Inc.

20 And then a third asset he has listed is the
21 common stock of Global Energy Technology Group, Inc.

22 That is not totally consistent, I
23 understand, with the far right column, because he only
24 puts values on the one percent ownership of Sunset
25 Pacific and the common. So I don't know what the

1 correct reading is, but as trustee, if I were looking at
2 this, I would think he meant to say he owns 77,000
3 shares of common stock of Sun Sports.

4 Q. Okay. In any event, whether the shares are
5 purportedly what is being represented here is ownership
6 of Sun Sports by Sunset or ownership of Sun Sports and
7 Entertainment by Mr. Comu, the fact is that those shares
8 are on this schedule, right?

9 A. Correct.

10 Q. With a value of zero?

11 A. Correct.

12 Q. And as you go down -- and I have highlighted
13 them -- there are a number of stocks in various entities
14 on here, Global Energy Technology, and then, if you look
15 after The Barclay Group, there are a number of shares of
16 common stock in different entities being disclosed. Do
17 you see that?

18 A. Yes.

19 Q. And the value is zero. Do you see that?

20 A. Correct.

21 Q. Now, on these schedules, notwithstanding the
22 fact that Mr. Comu chose to disclose assets in -- assets
23 in the form of shares in various entities that had a
24 value of zero, he didn't do that with Green Automotive,
25 did he?

1 A. No.

2 Q. Or Ganas?

3 A. No.

4 Q. And, in fact, has not done that to this day?

5 A. Right.

6 Q. I am going to put on the Elmo KLM Exhibit
7 Number 126. This is a memorandum to Dennis Olson by
8 C.J. Cumo. Do you see that?

9 A. Yes.

10 Q. And that, the subject is his Chapter Seven
11 bankruptcy or the Chapter Seven dash, it says Phyliss
12 Comu. Do you see that?

13 A. Correct.

14 Q. And the date is February 10, 2010. Do you see
15 that?

16 A. Yes.

17 Q. Now, that is the date that -- that is a date --
18 appears to be the date after the creditors' meeting,
19 right?

20 A. Correct.

21 Q. And --

22 MR. OLSEN: Objection, Your Honor.

23 THE COURT: Basis.

24 MR. OLSEN: The exhibits filed by
25 plaintiffs contain a number of memos from Mr. Comu to me

1 where the privilege was waived, because I forwarded them
2 to Mr. Elmquist, and we had no objection to those.
3 Similarly, as we hurriedly looked through several
4 hundred exhibits in our rush to get to trial here, I saw
5 another memo that was from C.J. to me that was not ever
6 forwarded to Mr. Elmquist, and I went ahead and let that
7 one go, because I felt we are trying to do transparent
8 proceeding here.

9 But we keep seeing memos to me from Mr.
10 Comu that they got in their electronic discovery where
11 the agreement was that those would not be. And I just
12 object to this continuing crossing beyond the
13 attorney-client privilege, beyond any agreements that we
14 have, beyond their pleadings, beyond the pretrial order.
15 I object to this or any other memo from my client to me
16 being used as evidence in this case.

17 THE COURT: Why am I just now hearing about
18 this?

19 MR. OLSEN: It is the first time he has
20 brought it up. I told you in your exhibits.

21 THE COURT: This is KLM 126 that was
22 offered on the first day of trial.

23 MR. VITAL: I think it is actually in
24 evidence.

25 THE COURT: It is in evidence.

1 MR. VITAL: I think it is too late, Judge.
2 It is in evidence. Sorry.

3 MR. OLSEN: Well, all right. All right.
4 It is too late. That's fine. That is the deal. It is
5 too late. That's fine.

6 THE COURT: Waived, waiver, overruled. You
7 may proceed.

8 Q. Now, we were talking about the date is
9 February 10, 2010. Do you see that?

10 A. Yes.

11 Q. Now, February 10, 2010, was the day after the
12 creditors' meeting?

13 A. Yes.

14 Q. And actually it says, "Below are answers from
15 the meeting of the trustee on February 9th, 2010." Do
16 you see that?

17 A. Yes.

18 Q. Now, under personal property, personal property
19 is not real property; it is things like blue jeans and
20 rings and things like that, right?

21 A. It is everything that is not real estate, in my
22 view.

23 Q. That's right. So here you actually see, under
24 Phyliss Comu, there is a reference to 98 percent of
25 Sunset Pacific. Do you see that?

1 A. Yes.

2 Q. Now, not saying whether or not that actually is
3 a valid and/or accurate statement, the fact is that it
4 is listed here. Do you see that?

5 A. I do see it.

6 Q. Now, do you remember seeing or receiving from
7 Mr. Olson, Mr. Comu, or anybody else a listing of assets
8 that would have included anything referencing Green
9 Automotive, Ganas or Go Green, on or before March
10 of 2010?

11 A. No.

12 Q. Okay. And here, even though we saw on that
13 memorandum that I just put on the Elmo that Sunset
14 Pacific purportedly has no value, just like in the
15 memorandum that I showed you on the schedules, it is
16 listed here with an asset value of purportedly zero; is
17 that right?

18 A. Yes.

19 Q. Okay. I want to go to the transcript of the
20 meeting of creditors to point out a few things that were
21 not pointed out in previous examinations of you. This
22 is on Page 18 of the transcript at Defendant's 4. You
23 see here a reference to a statement by Mr. Comu that,
24 "It is my Bank of America Visa card that I have had for
25 over ten years, Ms. Trustee. Mr. Epstein is attempting

1 to confuse you." Do you see that?

2 A. Yes.

3 Q. And do you see on Page 21 there is a reference
4 to Mr. Epstein, and it says, "Mr. Epstein continues to
5 lie." Do you see that? I am sorry. Do you see that?

6 A. I haven't found it yet.

7 Q. It is on your screen.

8 A. Oh, I see it. Yes.

9 Q. Now, when you were at this meeting and those
10 statements were being made by Mr. Comu, did you reach
11 the conclusion that perhaps whatever Mr. Epstein was
12 saying was not something that Mr. Comu believed to be
13 accurate?

14 A. Yes.

15 Q. And notwithstanding what Mr. Epstein knew or
16 didn't know or was trying to figure out, the fact
17 remains that the person who knew absolutely everything
18 and could have given full disclosure to everyone so that
19 everyone is on the same page that everybody is on right
20 now with all this evidence was Mr. Comu; is that right?

21 A. Correct.

22 Q. And Mr. Comu didn't volunteer any of this
23 stuff, did he?

24 A. No, he didn't.

25 Q. Now, Page 27 of this Defendant's Exhibit Number

1 4, there is a request by you. I am going to read the
2 whole thing. It says, "Yeah, me too. Okay, Mr. Comu,
3 what I like to do, so that we don't delay your cake" --
4 I think he meant to say case?

5 A. Uh-huh.

6 Q. -- "I am going to need to look at more
7 paperwork that I have asked for. Why don't you go ahead
8 and put on there six months of bank statements, any
9 account Mr. Comu has signatory authority on or any
10 control over." Did I read that right?

11 A. Yes.

12 Q. And in response to that, we got nothing along
13 the lines of what is now in evidence, Defendant's
14 Exhibit Number 10. I think it is this right here?

15 A. Oh, this, uh-huh.

16 Q. You didn't get anything about a Turkish bank
17 account, did you?

18 A. We did not.

19 Q. And I think I heard either Mr. Elmquist or
20 Mr. Olson say that the first time you ever got anything
21 regarding a Turkish bank account was today, right?

22 A. First time I ever heard about of the Turkish
23 bank account was today, and this is the first time I
24 have seen this paper is after I sat down in this chair.

25 Q. Now, what I looked at on here, and I am putting

1 it on the Elmo, was here is some reference or
2 representation of what purports to be the funds on hand
3 in that account as of July 2, 2012, right?

4 A. I think it is July 24, 2012.

5 Q. Okay. In any event, it is in 2012?

6 A. Yes.

7 Q. In summer?

8 A. Yes.

9 Q. Okay. Question I have for you is: What does
10 the trustee know about the asset value at any point in
11 2009 regarding this account?

12 A. All I know sitting here where I am is that Mr.
13 Comu has represented that -- he says, "I can attest it
14 is the same US dollar 5,000 that was placed in the
15 account over ten years ago and has not change. There
16 has been no deposit or withdrawal since then."

17 Q. But have you seen any bank account statements
18 for this account for 2009?

19 A. No.

20 Q. Or '10?

21 A. No.

22 Q. Or '11?

23 A. No.

24 Q. So you have nothing against which to judge or
25 verify that statement; is that right?

1 A. That's correct.

2 Q. Based upon what you know right now, would you
3 prefer to have Mr. Comu's word about what was in that
4 account, or would you like to see what the statements
5 were?

6 A. Well, I say I would like to see bank
7 statements.

8 Q. So as between Mr. Comu's word in this Court
9 right now versus the bank statements, you prefer to have
10 the bank statements?

11 A. Yes.

12 Q. Which you don't have?

13 A. Right.

14 Q. So we have no idea of asset transactions or
15 activities in that account for any time immediately
16 prior to or since this case has been administered; is
17 that right?

18 A. Except this one month. This is the one month
19 period -- no, it is a two week period -- no, I am sorry.
20 This is several months, February 13 to July 24, 2012.
21 Actually, you are right; it doesn't show any activity,
22 although the one above -- the one for the brother shows
23 the activity for the month. The one for the money
24 market in this Mr. Comu's account doesn't show any
25 activity. So I assume it would have been -- if there

1 had been activity, it would have been reported the same
2 way the activity in the other account was reported up
3 above.

4 Q. Certainly, all of the activity statements or
5 purported activity in that account, as disclosed in
6 Defendant's Exhibit Number 10, is in -- from July
7 of 2012 through, it appears, February of 2013; is that
8 right?

9 A. I read it the other way. I think it is
10 February -- oh, no, February 2012.

11 Q. That's right.

12 A. Through July of 2012.

13 Q. Can you show me where you are --

14 MR. VITAL: May I approach, Your Honor?

15 THE COURT: You may.

16 A. This date is February 13, 2012, through
17 July 24, 2012.

18 Q. Okay. I just got a note from my able counsel.
19 Does it appear to you that the \$5,000 is interest on
20 whatever is in the account, as opposed to the principal
21 itself, or do you know one way or another?

22 A. No, I can't tell.

23 Q. The fact is the best evidence would be -- or
24 more accurate evidence would be actual statements, which
25 we don't have; is that right?

1 A. Correct.

2 Q. And to tie this back, just so it doesn't look
3 like I am meandering, I put this up here because you
4 asked for things like Defendant's Exhibit Number 10 way
5 back before discharge, right?

6 A. That would certainly have been responsive to my
7 request for documents, yes.

8 Q. And you did not get this until three years or
9 so or more than three years after discharge, correct?

10 A. Correct.

11 Q. Now, I don't do a lot of these cases. You guys
12 are in bankruptcy court much more than I am. But I know
13 enough to know that there are people that don't like
14 debtors. That happens in a lot of cases where you get
15 these upset, mad people coming to creditors' meeting,
16 throwing allegations or anything like that; is that
17 right?

18 A. Yes.

19 Q. And sometimes what they are throwing around is
20 substantiated, right?

21 A. Right.

22 Q. And sometimes it is not substantial or not
23 credible, right?

24 A. Right.

25 Q. Sometimes you just get people who don't like

1 somebody else, and they come in and they vomit and spit
2 all over the debtor; is that right?

3 A. Right.

4 Q. So the fact that Mr. Epstein came into this
5 meeting and was spitting mad about a fraudster, Mr.
6 Comu, that happens in a lot of single debtor cases; is
7 that right, where you have folks like Mr. Comu who are
8 sophisticated persons using the auspices of Chapter
9 Seven?

10 A. Yes. May I enlarge on that just a little bit?

11 Q. Please.

12 A. Mr. Epstein, I think -- the biggest problem
13 with trying to work with information from Mr. Epstein is
14 that he is not an attorney, and he doesn't understand
15 the difference between things that are of moment or
16 actionable by the trustee and things that don't give
17 rise to any claims. And so a lot of the things he
18 complained about are nothing that I could do anything
19 about, and he swamped me with that kind of information.
20 I mean he would hear Mr. Comu speak on the radio, and he
21 would send me recordings, and he was incensed that Mr.
22 Comu was still out there giving financial advice to
23 people on the radio and apparently trying to put deals
24 together post discharge.

25 And it was just nothing I could do anything

1 about. It wasn't -- what he was mad about was that Mr.
2 Comu would still hold himself out as this financial guru
3 when he had filed his own bankruptcy, and Mr. Epstein, I
4 don't think, has ever understood that that is not --
5 there is nothing illegal about that.

6 Q. And further to that point, that happens a lot
7 in Chapter Seven cases with sophisticated business
8 people who use the auspices of Chapter Seven. You get
9 people coming in, spitting mad that the person is still
10 walking and breathing God's air and living in affluent
11 places. How can they do this when they are in Chapter
12 Seven, right?

13 A. Right.

14 Q. And Buckeye Epstein was no different than any
15 of those folks doing that, right?

16 A. Yes, I think Mr. Epstein really was trying to
17 give factual information to me, but most of it, the vast
18 majority of the things Mr. Epstein was giving to me was
19 of no help or value to me in assessing the estate's
20 claims or causes of action.

21 Q. And you understand the information that was
22 being provided to you by Mr. Lippe, some of that
23 information came from Mr. Epstein, or do you know one
24 way or another?

25 A. I don't know.

1 Q. Okay. But regardless, Mr. Lippe was having
2 conversations with you about being special counsel, I
3 think I heard that earlier, right?

4 A. Yes.

5 Q. And you did not hear anything that Mr. Lippe
6 was communicating to you that would have caused you to
7 join a revocation of discharge action back in 2010,
8 right?

9 A. That is correct.

10 Q. So notwithstanding any information from Buckeye
11 Epstein or provided to you by Mr. Lippe, who was
12 insistent on reaching you, -- He was contacting you,
13 right?

14 A. Correct.

15 Q. -- those fellows, Mr. Epstein and Mr. Lippe,
16 did not tell you anything that would have caused you to
17 have joined Mr. Katz's current 727 action; is that
18 right?

19 A. At that time, that is correct.

20 Q. But since the filing of this action and the
21 voluminous discovery that has taken place and the
22 discovery that we have had a chance to bring to your
23 attention, to Mr. Elmquist's attention, it is my
24 understanding that you, in retrospect, would have joined
25 this revocation of discharge account, right?

1 A. Yes.

2 Q. Because you believe that there has been a fraud
3 committed on this bankruptcy court in a case that you
4 were administering that you wish you would have known
5 about if he would have been forthcoming, right?

6 A. Correct, he continued --

7 Q. He being Mr. Comu?

8 A. Excuse me.

9 Q. And he being Mr. Comu?

10 A. Yes.

11 Q. And I cut you off. Please.

12 A. I was just going to say continuing
13 misrepresentation in the form of uncorrected testimony
14 and non-disclosed assets.

15 MR. VITAL: I pass the witness, Your Honor.

16 THE COURT: All right. Do we need to take
17 a break? How long do you think redirect will take?

18 MR. ELMQUIST: I have nothing further, Your
19 Honor.

20 THE COURT: You have nothing further? All
21 right.

22 MR. OLSEN: I have a few minutes.

23 THE COURT: Okay. Actually, wait, let
24 me -- if you have no redirect, then no one can get
25 recross, okay? So you have no redirect?

1 MR. ELMQUIST: That's the way it works,
2 Your Honor.

3 THE COURT: All right. Thank you, Ms.
4 Reed. You are excused.

5 MR. OLSON: But, Your Honor, just a moment,
6 please. We said before we started that we would try to
7 get the witness to come in one round so that they
8 wouldn't have to come back.

9 THE COURT: Okay. So you would be
10 recalling her if I --

11 MR. OLSON: I would call her in my defense
12 to ask her these questions.

13 THE COURT: All right. Well, then you may
14 go ahead, and then they can go after you.

15 MR. OLSEN: Right.

16 THE COURT: All right. Let's take a ten
17 minute break. How long do you think you are going to
18 be, Mr. Olson?

19 MR. OLSEN: Just a few minutes.

20 THE COURT: Well, let's go ahead and take a
21 ten minute break.

22 (Recess from 11:21 to 11:34.)

23 THE COURT: Be seated. All right. Ms.
24 Reed, I am required to remind you you are still under
25 oath.

1 THE WITNESS: Thank you.

2 THE COURT: Mr. Olson, you may submit your
3 questioning.

4 MR. OLSEN: Thank you, Your Honor.

5 FURTHER CROSS EXAMINATION

6 Of Diana Reed by Mr. Olson:

7 Q. Ms. Reed, just a few quick questions. And
8 correct me if I am wrong, but I believe in your
9 testimony this morning when I was asking you questions
10 you said that I told you I anticipated that Lippe would
11 not agree with my characterization of that 300,000 share
12 stock certificate that I was giving you?

13 A. You said you expected him to attack that, yes.

14 Q. When you met with Mr. Lippe and showed him that
15 certificate, do you recall whether you told him that I
16 thought that he was going to attack that?

17 A. I don't know that I -- I probably did not
18 specifically tell him that, that you thought he was
19 going to attack that. I think what I told him was that
20 you expected it to be an issue and that there would be
21 some disagreement on that, and so you just wanted me to
22 hold the share certificate until that happened.

23 Q. What was his reaction to that?

24 A. There was no real reaction to that.

25 Q. Okay. Also the testimony, I believe, you gave

1 was that I said that the stock certificate didn't have
2 any value, and then I think later on examination by
3 plaintiff's lawyer you said there was some anticipation
4 it would be worth something some day. Do you recall
5 exactly what I said or what you said?

6 A. I don't know that you, Mr. Olson, said anything
7 along those lines. It was my own discussion with
8 Mr. Lippe, at which I said, "Well, it may not have any
9 value now but maybe some day it will and it will be
10 worth the candle."

11 Q. Well, do you recall in our meeting that I told
12 you that there was obviously a lot of nonexempt property
13 here that we would be interested in trying to buy back?

14 A. Yes, absolutely.

15 Q. And that there would come a day when we would
16 try to figure out what stuff was worth?

17 A. Yes.

18 Q. And we haven't gotten to that point, have we?

19 A. Right.

20 Q. All right. Now, in that regard, that
21 conversation was March 8 of 2010?

22 A. Right.

23 Q. And the restrictions lifted in December of '13?

24 A. I think that's correct, yes.

25 Q. A little over three and a half years later?

1 A. Right.

2 Q. So the several years has come and gone?

3 A. Yes.

4 Q. And now that stock is unrestricted and can be
5 sold?

6 A. Well, again, I am not a securities attorney. I
7 have not gone through the process of getting the
8 notation, the restrictive notation, removed from the
9 shares of stock so technically -- this is a technical
10 question. I don't know if they are unrestricted until I
11 go through that process.

12 Q. Well, you have hired Baker McKenzie to deal
13 with how you can sell that?

14 A. I have, but it is my understanding the process
15 is I have to send these in to the transfer agent, or I
16 think it is called the transfer agent, along with
17 certain documentation, and then they will issue new
18 certificates without the restrictive language on the
19 front.

20 Q. Without the legend on it?

21 A. And then it will be unrestricted.

22 Q. Right. I don't know how much you know about
23 the Utah litigation, but the litigation was filed by
24 Green Auto; is that correct?

25 A. That's my understanding.

1 Q. And they were attacking attempts to sell stock
2 that they said was restricted?

3 A. That is my understanding.

4 Q. And they got a TRO?

5 A. Yes.

6 Q. And then Mr. McNeill, representing The Barclay
7 Group, testified earlier this week, and I don't know if
8 you have heard any of that, but are you aware that the
9 TRO expired, and then the lawsuit became moot when the
10 restrictions were lifted?

11 A. No.

12 Q. All right. You testified at one point just
13 before we took the recess that Buckeye Epstein bombarded
14 you with communications for a while. Those stopped at
15 some point pretty abruptly, didn't they?

16 A. In retrospect, you are probably right. I
17 didn't miss it very much.

18 Q. Do you remember why that was, or have you
19 learned?

20 A. No, no, don't recall.

21 Q. I am thinking they stopped when he started
22 serving his prison sentence in the Federal prison
23 system?

24 A. Oh --

25 MR. VITAL: Objection, Your Honor, question

1 assumes facts. There is no proof of that.

2 THE COURT: Sustained.

3 Q. Have you learned that?

4 A. No, I have not heard that.

5 Q. All right.

6 MR. VITAL: The same objection, Your Honor,
7 move to strike. There is no foundation.

8 THE COURT: Sustained.

9 MR. OLSEN: No further questions.

10 MR. VITAL: None for me, Your Honor.

11 MR. ELMQUIST: None.

12 THE COURT: All right. Thank you, Ms.

13 Reed. You are excused.

14 THE WITNESS: Thank you.

15 THE COURT: All right. Anything else from
16 the trustee?

17 MR. ELMQUIST: No, Your Honor.

18 THE COURT: All right. Well, Mr. Olson,
19 what are you going to have?

20 MR. OLSEN: Well, I need to put Mr. Comu
21 back on, and I don't know that I can finish today. I
22 don't know what your pleasure is. I can certainly -- if
23 we break here for an early lunch so that you can handle
24 your emergency hearings, if we start at the normal time
25 tomorrow morning I will pass the witness by the morning

1 recess, and I have no other witnesses to call. So I
2 think we can finish their cross before lunch and maybe
3 argue after lunch.

4 THE COURT: All right. Does that sound
5 okay, or are you all thinking there is any scenario you
6 might have a rebuttal witness or --

7 MS. HANKS: I don't think so, Your Honor.
8 I think we need to finally confirm but, no, I don't
9 believe so.

10 MR. VITAL: I really don't believe so.

11 MS. HANKS: Which is my co-counsel telling
12 me, "Hell no."

13 THE COURT: For lack of a better word,
14 okay.

15 MS. HANKS: But perhaps what we might do
16 with the time we have right now is that we do have some
17 exhibits that have been offered but are still subject to
18 the relevancy. And so, instead of dealing with it
19 tomorrow to the extent they come up or dealing with it
20 afterwards, so that everyone can get out, perhaps we
21 could do that now?

22 MR. ELMQUIST: Just to speak to the
23 scheduling, Your Honor, number one, I have rested.
24 Number two, I don't expect to call any rebuttal
25 witnesses. Number three, Mr. Olson's projected time

1 table tomorrow makes sense to me in terms of when we
2 would wrap all this up. I may have limited questions
3 when he recalls Mr. Comu that will be very limited.

4 THE COURT: All right. Very good. Let's
5 proceed then in that manner. We will start at 9:30
6 tomorrow with Mr. Comu's testimony, and then let's go
7 ahead with the housekeeping matter --

8 UNIDENTIFIED MAN: Your Honor, may I ask a
9 question of the recorder?

10 THE COURT: You may.

11 (Off the record discussion)

12 MS. HANKS: As you know, Your Honor, there
13 are a number of exhibits that we haven't necessarily
14 reached with a particular witness and that are subject
15 to relevance objections. We will take them one by one.

16 THE COURT: Okay.

17 MS. HANKS: The first one is Plaintiff's
18 Exhibit 12. I believe you have heard the trustee
19 mention a couple of things about the Utah litigation,
20 which initially she mistakenly referred to as Arizona,
21 but that is the Utah litigation. This regards the
22 injunction that was entered against The Barclay Group
23 against trading restricted shares, and we have supplied
24 the Court, frankly, more for the purpose of providing
25 context with regards to activity, The Barclay Group's

1 activity, with those restricted shares, which should
2 have been assets of the estate. And so we have supplied
3 both, I believe, the petition, as well as the order
4 granting the injunction, and we do think it is quite
5 helpful to the Court.

6 THE COURT: And that is all collectively at
7 KLM 12.

8 MS. HANKS: No, I believe it is 12 and 13,
9 so KLM 12 -- could you go to the heading on the
10 pleading, please?

11 KLM 12, just getting to my -- oh, that is
12 actually The Barclay Group's verified memorandum in
13 opposition to the motion for temporary restraining
14 order.

15 THE COURT: Okay.

16 MS. HANKS: So this was actually a document
17 filed by the defendant -- I mean, yes, by The Barclay
18 Group, in which certain facts were verified.

19 THE COURT: All right. And then 13 is also
20 from that litigation; is that correct?

21 MS. HANKS: Yes, Your Honor, 13 is the
22 memorandum decision and order granting the preliminary
23 injunction.

24 THE COURT: All right. Your relevance
25 objection, Mr. Olson?

1 MR. OLSEN: Just the same, these are events
2 that occurred long after the complaint was filed and not
3 something that is fairly contained in the second amended
4 complaint.

5 THE COURT: All right. But no objection as
6 to the authenticity of these documents?

7 MR. OLSEN: No, ma'am.

8 THE COURT: All right. And then,
9 Ms. Hanks, your response to the relevance objection
10 again?

11 MS. HANKS: It is that these reflect --
12 first of all, they have verified facts in here,
13 particularly regarding the effective date of the merger.
14 But, in addition, this litigation concerns the continued
15 efforts of The Barclay Group to trade these restricted
16 shares that were assets of the estate, and this was
17 disposition of -- dissipation of assets of The Barclay
18 Group that belong to the estate.

19 THE COURT: All right. I overrule the
20 objection. I will admit those, KLM 12 and KLM 13.

21 (KLM Exhibits 12 and 13, offered and
22 admitted.)

23 MS. HANKS: Yes, Your Honor. The next
24 document that we have on our list is Plaintiff's
25 Exhibit 30. We have been over quite a few of these,

1 Your Honor. This is one of the distribution letters
2 from The Barclay Group to Olde Monmouth Stock Transfer,
3 with instructions regarding how to send this -- the
4 cash. Now, this one is actually of particular interest
5 because this was one of the original -- this was a
6 document that was produced by Mr. Comu in response to
7 the trustee's requests. And if you will notice, the
8 recipients of all of the transfers of cash except for
9 The Barclay Group are marked out. In documents we
10 received subsequently from Olde Monmouth Stock Transfer
11 these were actually -- we could see the recipient, and
12 some of those recipients were -- and I believe Mr. Comu
13 testified that he didn't receive any of the cash, but
14 one of them was, for example, Marathon Management, Inc.,
15 which the documents establish is another wholly owned
16 entity of Mr. Comu's, and that was one of the avenues
17 through which he was receiving cash, but he continued to
18 conceal from the trustee and his creditors.

19 THE COURT: All right. Mr. Olson, do you
20 have anything else you want to say about your relevance
21 objection on this?

22 MR. OLSEN: No, ma'am.

23 THE COURT: All right. I overrule the
24 relevance objection, and admit it.

25 (KLM Exhibit 30, offered and admitted.)

1 MS. HANKS: KLM Exhibit 95 is the next we
2 have on our list -- I am sorry, 94. This is, I believe
3 you have heard testimony concerning Regus Advisers,
4 Inc., which was an entity Mr. Comu started up in the
5 middle of 2010. He has actually represented that he has
6 been the chairman of that business for quite a few years
7 longer. And the reason for that is because Regus
8 Advisers is actually the continuation of The Barclay
9 Group business. And you will see evidence that we
10 supplied to the Court in briefing, as well as that is
11 evidence in our exhibits, that Regus Advisers picked up
12 Barclay Group deals, started receiving payment and deals
13 The Barclay Group was working on before the petition
14 date, and that they have actually continued The Barclay
15 Group business as part of this effort to conceal assets
16 of the estate. And so not only this is one of the
17 reverse mergers that the Regus Advisers did after, this
18 was a deal that occurred after the petition date. They
19 received shares in the stock. And you will also see
20 stock that was received by Regus Advisers in Green Auto
21 at the behest of Mr. Comu.

22 THE COURT: All right. Mr. Olson, anything
23 you want to elaborate on?

24 MR. OLSEN: No, same objection.

25 THE COURT: All right. Overruled. KLM 94

1 is admitted.

2 (KLM Exhibit 94, offered and admitted.)

3 MS. HANKS: Okay. So the next we have on
4 our list is KLM Exhibit 100.

5 THE COURT: Okay. I have 95 as the next
6 one on my list that was marked.

7 MS. HANKS: Yes, I am not sure -- I don't
8 think it is actually necessary to what -- I mean I think
9 we are probably not going to be citing to it, but if the
10 Court would like us to address it, we would be happy to.

11 THE COURT: I am sorry. Are you offering
12 it or not?

13 MS. HANKS: We are not. We are going over
14 to 100.

15 THE COURT: Okay.

16 MR. OLSEN: Then would you sustain the
17 objection on relevance, if they are not going to use it?

18 THE COURT: Well, you are withdrawing the
19 offer; is that correct?

20 MS. HANKS: We are withdrawing the offer.

21 THE COURT: So I am just crossing it off as
22 a withdrawn exhibit.

23 MS. HANKS: Okay. KLM Exhibit 100, email
24 from C.J. Comu to Chris Troster, Olde Monmouth. This
25 is -- these are instructions concerning where to send

1 the certificates that are being issued to Mayborne. If
2 the Court will recall, Mayborne was one of the parties
3 to that memorandum of understanding that was receiving
4 one-third of the 95 million shares that were issued to
5 The Barclay Group. And Mr. Comu gave instructions to
6 Olde Monmouth about how to split up those 95 million
7 shares. Part of those were to Mayborne, and here this
8 email tells Olde Monmouth to "send all cert's back to me
9 to Dallas." So, for example, even though the
10 certificates -- the stock certificates were being issued
11 to Mayborne and First Market Services, he is instructing
12 the stock transfer agents to send the stock certificates
13 to him in Dallas. And if you will recall Mr. Comu's
14 testimony, it is the physical possession of stock
15 certificates that seemed significant to him as being
16 relevant to his duty to disclose assets. And here he is
17 keeping all the stock certificates in his personal
18 possession.

19 THE COURT: All right. Mr. Olson, do you
20 have anything to elaborate on?

21 MR. OLSEN: Same objection.

22 THE COURT: Overruled. KLM 100 is
23 admitted.

24 (KLM Exhibit 100, offered and admitted.)

25 MS. HANKS: KLM Exhibit 101, here is an

1 email with Dave Welch, if the Court will go a little bit
2 down. Dave Welch was the person who was running First
3 Market Services, which was one of the three parties to
4 that big -- they were divvying it up, and here Mr. Comu
5 tells Mr. Welch that, "The TBG books and bank account
6 are open for you any time." And they are also
7 discussing how these assets are going to get split up.
8 So it is relevant to both the postpetition activity that
9 was the fraudulent disposition of assets, as well as Mr.
10 Comu's control over that process and asset.

11 THE COURT: All right. Mr. Olson, anything
12 to add?

13 MR. OLSEN: Same objection.

14 THE COURT: Overruled. KLM 101 is
15 admitted.

16 (KLM Exhibit 101, offered and admitted.)

17 MS. HANKS: KLM 102, okay, this is a
18 business plan for an entity called global Energy
19 Technology Group, and we -- as we told the Court
20 yesterday, we will give a full account of the evidence
21 that we have in our briefing, but we didn't get to a lot
22 of this information with Mr. Comu. One of the documents
23 that we have supplied to the Court are filings with the
24 Texas Secretary of State, indicating that Mr. Comu was
25 also a director with this entity called Global Energy

1 Technology Group that -- and that is a position that he
2 did not disclose on his statement of financial affairs.

3 His business with the Global Energy
4 Technology Group, which is often described as GETG,
5 started before the petition date, was not disclosed in
6 the petition, in his schedules. In fact, the only thing
7 that he disclosed in his schedules was that Sunset
8 Pacific owns 10 million shares of Global Energy
9 Technology Group, but just like the Green Auto
10 transaction, he did not disclose any of his interest
11 whatsoever in this entity.

12 And not only is there -- were there
13 interest in this entity and related affiliates, but some
14 of those affiliates are still to this day trading and
15 receiving Green Auto shares that originated from The
16 Barclay Group. So that is how it is relevant and how it
17 will be borne out in the briefing, although it hasn't
18 shown up in the testimony, Your Honor.

19 THE COURT: All right. Ms. Hanks, this is
20 a business plan or a --

21 MS. HANKS: If you will go to the top, it
22 is a business plan for an entity in which Mr. Comu was a
23 director prepetition that he did not disclose.

24 THE COURT: All right. Mr. Olson, do you
25 have --

1 MR. OLSEN: Same objection.

2 THE COURT: All right. Overruled. This is
3 102. KLM 102 is admitted.

4 (KLM Exhibit 102, offered and admitted.)

5 MS. HANKS: KLM 106, this is a -- so Regus
6 Advisers is the entity that we have supplied evidence to
7 the Court is the continuation of The Barclay Group
8 business and is being used to hide and dissipate Mr.
9 Comu's assets and is actually continuing to be quite
10 successful in that respect. If you will look quite at
11 the bottom -- this is a document produced by the
12 debtors. It is a power point concerning Regus Advisers.

13 And if you will look at the last page,
14 please, the reason it is particularly relevant is
15 because it -- a little bit -- one more up -- is that Mr.
16 Comu has been -- I am not sure exactly which page it is,
17 but it does represent that Regus has been in business
18 since 2009 and that it has -- here, go down -- that it
19 has got offices all over the world, providing services
20 to investment clients. And there is other evidence, in
21 fact, that will -- and Mervin Price, I think as the
22 Court noted, is Mr. Comu's tenant in his Palladium Drive
23 house. Anyway, there is a number of different
24 connections, both to personal assets as well as the
25 assets of Barclay Group.

1 I am not sure we found the actual page, but
2 this one does say that they have been in business --
3 that they have been providing these services since 2009,
4 which is before the petition date.

5 There it is. Regus Advisers, Inc., was
6 founded in 2009 as a global advisory firm.

7 THE COURT: Mr. Olson, do you have any
8 elaboration on the relevance objection?

9 MR. OLSEN: No, ma'am.

10 THE COURT: Okay. Overruled. KLM 106 is
11 admitted.

12 (KLM Exhibit 106, offered and admitted.)

13 MS. HANKS: KLM 115 is the next one we
14 have, Your Honor. This is a promissory note executed
15 June 23rd, 2012, by which Mr. Comu pulled \$50,000 from
16 Marathon Management, Inc. And Marathon Management,
17 Inc., is an entity he actually -- he discloses on his
18 statement of financial affairs that he was, I believe,
19 an officer or a member of Marathon Management, Inc., but
20 what he did not disclose is that he owns the entity
21 100 percent, and he has used that entity to move cash
22 and assets around.

23 And this particular example is he takes
24 \$50,000 out of Marathon Management, Inc., to buy a
25 Mercedes that is held in the name of Sunset Pacific.

1 And that cash, actually we have records of TBG cash
2 transfers to Marathon Management. For example, there is
3 a \$225,000 cash transfer, I believe, in 2011, and that
4 cash is coming from this -- from the proceeds of stock
5 sales that The Barclay Group is making over the course
6 of -- that started in 2009 and are continuing to this
7 day.

8 THE COURT: All right. Understood.
9 Mr. Olson, any elaboration on the relevancy objection.

10 MR. OLSEN: Nothing additional.

11 THE COURT: Overruled. KLM 115 is
12 admitted.

13 (KLM Exhibit 115, offered and admitted.)

14 MS. HANKS: KLM 116.

15 THE COURT: There was no objection that I
16 show on that one.

17 MS. HANKS: Okay. So that is in. So KLM
18 121, I believe. This is a finder's fee agreement. This
19 is just relevant to -- and there has been plenty of
20 testimony about The Barclay Group's role with Green
21 Auto, but after the merger, so TBG was involved in the
22 merger, but then, after the petition date, there were a
23 number of different agreements signed, a couple of
24 different agreements signed, concerning TBG's continuing
25 role with Green Auto, and this is one of them.

1 THE COURT: This is dated what?

2 MS. HANKS: I believe it is dated in
3 January. Can you go down to the date, please? This is
4 in 2011 it is signed, and I believe the Court was asking
5 how much money The Barclay Group actually raised for
6 Green Auto. This finder's fee is relevant to that. It
7 is about the -- I don't know if -- I don't think there
8 is evidence that TBG actually raised a million in
9 financing for Green Auto, but that is certainly
10 something we can try to flesh out in the documents that
11 have been introduced for the Court.

12 THE COURT: The first page again?

13 MS. HANKS: Uh-huh.

14 THE COURT: Mr. Olson, any elaboration on
15 the relevancy objection?

16 MR. OLSEN: Nothing additional.

17 THE COURT: Overruled. KLM 121 is
18 admitted.

19 (KLM Exhibit 121, offered and admitted.)

20 MS. HANKS: We are going to withdraw 122,
21 Your Honor.

22 THE COURT: Okay, withdrawn.

23 MS. HANKS: KLM Exhibit 134, this is -- I
24 believe this pertains to the annuity. This is the life
25 insurance policy for Mr. Comu that is owned by Ms. Comu,

1 but it is a life insurance policy that, I believe, was
2 moved to the annuity; does it not, that is held by
3 Sunset Pacific? And it is one of the assets of Sunset
4 Pacific that both the trustee and the plaintiffs contend
5 should be considered part of the estate.

6 THE COURT: Okay. A life insurance policy
7 on the debtor. All right. Mr. Olson, any elaboration
8 on the relevancy objection?

9 MR. OLSEN: Nothing additional.

10 THE COURT: Overruled. KLM 134 is
11 admitted.

12 (KLM Exhibit 134, offered and admitted.)

13 MS. HANKS: KLM Exhibit 142.

14 THE COURT: Okay.

15 MS. HANKS: This is a -- and we actually --
16 this is a -- there are two websites. There is actually
17 three websites that I believe may be subject. They are
18 in a row, 142, 143 and 144. And the reason these are
19 supplied is this concerns The Barclay Group's
20 continuation through Regus, and 142 is The Barclay Group
21 website, 144 is Regus website.

22 Oh, I am sorry. Okay. And the documents
23 that we have put into evidence and that we will flesh
24 out in our briefing indicate that Mr. Comu personally
25 drafted the contents of the Regus website and, in fact,

1 instructed the individuals who were putting the website
2 together to just basically cut and paste from Barclay
3 Group into Regus.

4 And so if you compare the pages between
5 Barclay Group and Regus, they have almost verbatim
6 exactly the same language, and that is because, as the
7 email communications that we have supplied to the Court
8 show, Mr. Comu literally just transferred the language
9 from The Barclay Group website over to Regus. And you
10 know, for example, here The Barclay Group talks about
11 how for over 20 years TBG has provided this language.
12 And then, if you go to Plaintiff's Exhibit 144, you have
13 exactly the same language, because Mr. Comu just cut and
14 pasted into the new website.

15 THE COURT: And what is 143?

16 MS. HANKS: 143 is a single page from The
17 Barclay Group and we -- it is actually -- not long
18 before trial, we realized that The Barclay Group website
19 is now holding itself out as The Barclay Group, LLC,
20 which is a new entity that we did not know about.

21 Now, we have done a little bit of research,
22 and we couldn't find any corporate filings for anything
23 called The Barclay Group, LLC. But for obvious reasons
24 it concerned us that there was a representation that
25 there was a limited liability company, when Barclay

1 Group, Inc., is the entity that we are concerned with
2 here in the case, and this is its website. And so I am
3 not quite sure it is necessarily relevant, because I
4 think if there is --

5 MR. OLSEN: Which proves my point.

6 MS. HANKS: Well, frankly, we were
7 concerned that there was a new entity being set up under
8 this name that now is being represented by the website,
9 and we were doing additional research. So we included
10 this in here to make sure that -- frankly, I was
11 intending to ask Mr. Comu questions about it, but I
12 didn't think it was necessary, given what was already
13 adduced in evidence.

14 THE COURT: Well, I sustained the objection
15 to 143. If you want to try to offer it up tomorrow --

16 MS. HANKS: No, Your Honor, I think we are
17 fine without it.

18 THE COURT: I am going to overrule the
19 objection on 142 and 144. Those are admitted.

20 (KLM Exhibits 142 and 144, offered and
21 admitted.)

22 MS. HANKS: Exhibit 135.

23 UNIDENTIFIED MAN: I think you mean 145.

24 MS. HANKS: Oh, I think we skipped 135
25 accidentally. This is a 2012 tax statement for Mr.

1 Comu's Palladium Drive home, and we have been able to
2 connect through The Barclay Group record that Mr. Comu
3 actually pays the property taxes on his Palladium Drive
4 home through Barclay Group accounts. This, of course,
5 supports the trustee's alterego and sham claims, as well
6 as our fraud on the bankruptcy Court claims. And this
7 is one of the documents that we rely on to connect up.
8 We connect it to The Barclay Group bank records.

9 THE COURT: All right. What am I seeing on
10 here other than just the property tax statement?

11 MS. HANKS: Okay, so there are a number of
12 documents in the record that we haven't gone through in
13 testimony. The Court -- what we will do in our briefing
14 is show that in 2009 Mr. Comu paid his property taxes on
15 the Palladium Drive house. That is his alleged
16 homestead. He paid the property taxes through The
17 Barclay Group. Okay. Then what we will also show is
18 that those payments continued postpetition, and this is
19 the tax assessment bill. Of course, we have to connect
20 it to various other statements, but that's the purpose
21 of it.

22 THE COURT: Okay. Well, I can take
23 judicial notice of it anyway. It is a public record,
24 right?

25 MS. HANKS: Yes, Your Honor.

1 THE COURT: Okay. I overrule the
2 objection. I will admit 135.

3 (KLM Exhibit 135, offered and admitted.)

4 MS. HANKS: We already have 142, 144. 145,
5 Your Honor, this is a public filing with the OTC
6 bulletin board for Puration, Inc. It is one of the
7 deals that Mr. Comu has worked on through Regus. And if
8 you will go down to -- and this is, for example, you
9 know, again, this is the continuation of The Barclay
10 Group business, but if you -- this is another reverse
11 merger. And Mr. Comu, if you will look on Page 24 of
12 this document, which I believe is on the screen, and he
13 was identified as chairman of the board and director for
14 this entity. And if you go a little further down, this
15 is postpetition, but this is continuation of Barclay
16 Group business through Regus.

17 Keep going down to where it disposes of the
18 shares. And Mr. Comu personally received, this document
19 discloses, 4.2 million shares in Puration, in its
20 capacity as having worked on this deal through Regus
21 Advisers, which is really Barclay Group under a very
22 different name.

23 THE COURT: Go back up to the top of the
24 document again.

25 MS. HANKS: Top of the document, please.

1 THE COURT: Okay. All right. Any
2 elaboration on your relevancy objection, Mr. Olson?

3 MR. OLSEN: No, ma'am.

4 THE COURT: KLM 145 is admitted. I
5 overrule the objection.

6 (KLM Exhibit 145, offered and admitted.)

7 MS. HANKS: We will withdraw 146.

8 THE COURT: Okay.

9 MS. HANKS: 150.

10 THE COURT: Okay.

11 MS. HANKS: I believe we pointed the
12 Court's attention to this yesterday. They objected to
13 it on relevance basis, but the Court expressed some
14 interest in what -- how the company has been doing.
15 This is one of the corporate filings of the SEC that we
16 supplied exactly for that purpose.

17 THE COURT: Okay. Any elaboration on your
18 relevancy objection?

19 MR. OLSEN: No, ma'am.

20 THE COURT: All right. Overruled. 150 is
21 admitted.

22 (KLM Exhibit 150, offered and admitted.)

23 MS. HANKS: The same with 151, it is a 10 Q
24 from March 31st, 2013.

25 THE COURT: All right. Anything else,

1 Mr. Olson, on that one?

2 MR. OLSEN: No, ma'am.

3 THE COURT: Overruled, 151 is admitted.

4 (KLM Exhibit 151, offered and admitted.)

5 MS. HANKS: The one thing we will add is
6 that those two documents are also relevant because they
7 reflect over a hundred thousand in loans from The
8 Barclay Group to Green Auto in 2010, and, of course,
9 this was very, very shortly after or even before the
10 time when Mr. Comu represented to the trustee that The
11 Barclay Group had no assets.

12 Okay. 152, I believe 152 should be
13 admitted, but --

14 THE COURT: I don't show it is.

15 MS. HANKS: It is not? Okay. 152, we
16 discussed it with Mr. Comu actually. This is a Texas
17 franchise tax public information report that identifies
18 Mr. Comu as CEO of Sun Management Group, Inc. This was
19 one of the entities that was not disclosed on his
20 statement of financial affairs in response to Question
21 Number 18.

22 THE COURT: He lists himself as an officer
23 or -- that is Sun Sport and Entertainment, Inc.

24 MS. HANKS: This is Sun Management Group,
25 Inc.

1 THE COURT: That's a different entity.

2 MS. HANKS: It is a different entity, Your
3 Honor. His testimony was that, because it was an owned
4 subsidiary, that he didn't have to disclose it.

5 THE COURT: All right. Any elaboration on
6 the relevancy objection?

7 MR. OLSEN: Nothing additional.

8 THE COURT: Okay. That is overruled. This
9 is admitted, and again it is KLM 152?

10 MS. HANKS: Yes, Your Honor.

11 (KLM Exhibit 152, offered and admitted.)

12 THE COURT: Uh-huh.

13 MS. HANKS: KLM 153, I believe we also
14 talked to Mr. Comu about this yesterday. This is --
15 these are stock transfer instructions to Action Stock
16 Transfer by Mr. Comu, that are set by Mr. Comu, in the
17 days before the agreed restraining order went into
18 affect but after the parties had already discussed it,
19 and he is actually continuing to sell shares of Green
20 Auto through the entity Eurocap Investments, of which he
21 is the chairman.

22 These represent -- for example, here is the
23 email that's the -- okay. Here we go. Here is the
24 instruction letter, and these -- he is asking Action
25 Stock Transfer to issue new stock certificates to the

1 purchasers, so he sold more of these shares, and he just
2 needs to be sure that they get the stock certificates
3 out to the new shareholders.

4 Again, this is just continued disposition
5 of assets that belong to the estate that never should
6 have been -- that certainly shouldn't still be in his
7 control and possession and that he is still using to
8 make money that should be available to his creditors.

9 THE COURT: All right. Mr. Olson, any
10 elaboration on the relevancy objection?

11 MR. OLSEN: Nothing additional.

12 THE COURT: This is 153; is that correct?

13 MS. HANKS: Yes, Your Honor.

14 THE COURT: Objection overruled. It is
15 admitted.

16 (KLM Exhibit 153, offered and admitted.)

17 MS. HANKS: 154 is another Eurocap
18 Investments instruction to Olde Monmouth. This was also
19 sent by Mr. Comu, and this one actually transfers stock
20 from Eurocap to Barclay Group, I believe two million
21 shares of Green Auto stock.

22 But it is the same as 153, Your Honor. It
23 is just a couple of days before. It is about a month
24 before.

25 THE COURT: All right. Anything to add,

1 Mr. Olson?

2 MR. OLSON: Nothing additional.

3 THE COURT: Objection overruled. 154 is
4 admitted.

5 (KLM Exhibit 154, offered and admitted.)

6 MS. HANKS: 155, okay, we spoke a couple of
7 moments ago about an entity called Global Energy
8 Technology Group as being one of the entities that Mr.
9 Comu does business with and has an interest in but
10 hasn't disclosed that to either the trustee or his
11 creditors. Here there are significant -- or, in fact,
12 there is a number of other transactions showing this,
13 but Bioglobal Resources, Inc., is one of the entities
14 that is receiving shares from First Market Services,
15 Inc., which, as the Court will recall, is one of the
16 three parties to that memorandum of understanding.

17 Bioglobal Resources, Inc., we have other
18 documents in the record that reflect Mr. Comu's
19 relationship and interest in Bioglobal Resources, Inc.,
20 which is an entity affiliated with Global Energy
21 Technology Group. And those affiliations relate back to
22 prepetition date.

23 So essentially what is happening is we have
24 got TBG shares in Green Auto, these 95 million shares
25 that originated back in -- you know, before the petition

1 date, and they go through a quite convoluted series of
2 transfers, all for no consideration, but they ultimately
3 end up in the name of entities with which Mr. Comu is
4 either affiliated or he wholly owns or controls. And
5 this is just one example, Your Honor.

6 THE COURT: All right. Mr. Olson, anything
7 to add?

8 MR. OLSEN: Nothing additional.

9 THE COURT: All right. Objection
10 overruled, 155 is admitted.

11 (KLM Exhibit 155, offered and admitted.)

12 MS. HANKS: 156, Your Honor, is essentially
13 the same thing, but this is sale of the stock through
14 Mayborne Limited, which is one of those entities. And
15 if you will notice, Mayborne Limited is care of Newhaven
16 Nominees Limited, which that is that nominees group that
17 Mr. Comu used when he was working with his accountant,
18 setting up West Point Advisers and setting up
19 Continental Partnership, Inc. That was those emails we
20 talked to Mr. Comu about yesterday.

21 THE COURT: Mr. Olson, anything else?

22 MR. OLSEN: Nothing additional.

23 THE COURT: Objection overruled. 156 is
24 admitted.

25 (KLM Exhibit 156, offered and admitted.)

1 MS. HANKS: On 157 this is -- these reflect
2 instructions to Action Stock Transfer from TKY Trust
3 which, as the Court will recall, is the trust that is
4 allegedly controlled by Mr. Comu's brother, but the
5 evidence that we will put together for the Court is that
6 Mr. Comu really set it up in order to hide his assets.

7 And here this is an example of one of the
8 transactions by which TKY Trust was selling the stock in
9 its possession. So these are stock certificates that
10 are getting issued out to purchasers.

11 We later show distribution instructions
12 received from either TKY or from Mr. Comu that show
13 where the cash goes, but --

14 If you will go down, please -- if you will
15 look -- it is close to the end. It is the last FedEx
16 cover sheet. There we go, one more up.

17 But as you will see, the TKY Trust
18 certificates are being kept at The Barclay Group. And
19 so after one stock certificate is canceled, the new
20 stock certificates are issued out, the remainder is sent
21 back to TKY Trust in the form of a stock certificate.
22 And here it is being sent back to Mr. Comu at The
23 Barclay Group, and if you -- again, as you will recall,
24 Mr. Comu's version of having assets that need to be
25 disclosed is having them in his possession. And here he

1 is instructing the stock transfer agent to send him the
2 stock certificates for TKY Trust.

3 THE COURT: Mr. Olson, anything to add?

4 MR. OLSEN: Nothing additional.

5 THE COURT: Objection overrule. 157 is
6 admitted.

7 (KLM Exhibit 157, offered and admitted.)

8 MS. HANKS: 158, this is the same thing.
9 This is a 2012 instruction pertaining to Daptco Trust, I
10 believe. Hold on. Oh, yes, this is Daptco Trust.
11 Daptco Trust is again -- and, in fact, this is the first
12 time we see transfer of shares from Daptco Trust. I
13 think perhaps Mr. Comu testified that all of those
14 shares may have been returned to The Barclay Group.

15 MR. OLSEN: No, that is Sunset.

16 MS. HANKS: Oh, Sunset Pacific, okay, so
17 Sunset Pacific.

18 Well, with regards to Daptco, here we see
19 the two million share certificate being canceled and a
20 14 -- 1.4 million share being issued back. But 500,000
21 of those shares go to World Wide Auric International.
22 And the correspondence that we will connect it with
23 shows that World Wide Auric is another place that Mr.
24 Comu has accounts and interest he uses to basically move
25 these assets out of the reach of his creditors and the

1 trustee.

2 THE COURT: Mr. Olson, any elaboration on
3 your objection?

4 MR. OLSEN: Nothing additional.

5 THE COURT: Objection overruled. 158 is
6 admitted.

7 (KLM Exhibit 158, offered and admitted.)

8 MS. HANKS: 159, this is another 2010
9 Action Stock Transfer record. This New Haven Nominees
10 Limited, the entity we spent quite sometime with Mr.
11 Comu on, here they are transferring -- they are
12 combining five different stock certificates into one
13 that are being issued to Seed and Company, which is
14 another entity. Again, it is a series of very
15 complicated transactions that move assets and shares
16 belonging to TBG that, if you are willing to spend an
17 incredible amount of hours to trace, you can find. But
18 this is one exact where we can start seeing where the
19 assets actually went, Your Honor.

20 THE COURT: Okay. I am trying to glean
21 where there is an exfoliation --

22 MS. HANKS: Okay. New Haven Nominees
23 Limited -- of course, New Haven Nominees Limited is --
24 we spent quite a bit of time yesterday on this entity.

25 THE COURT: Right.

1 MS. HANKS: The TBG shares, New Haven
2 Nominees was one of the entities, offshore entities,
3 that would receive shares and money, okay, that were TBG
4 assets. This, here New Haven Nominees is combining
5 those shares and shifting them yet to another entity,
6 Seed and Company.

7 THE COURT: CD and Company.

8 MS. HANKS: Yes, I am not sure how to
9 pronounce it. Is it CD?

10 THE COURT: Okay. Isn't that just a common
11 street name holder?

12 MS. HANKS: I am -- frankly, Your Honor,
13 there is -- first of all, this evidence is already --
14 there are other ways to trace it, so I am not sure this
15 is necessary, but --

16 THE COURT: I am not finding the relevance
17 on this exhibit.

18 MS. HANKS: Okay. So we will withdraw it,
19 Your Honor.

20 THE COURT: All right. Well, sustain the
21 objection.

22 MS. HANKS: Okay.

23 THE COURT: This was 159.

24 MS. HANKS: Was that 159? Okay.

25 Okay. 160, Action Stock Transfer produced

1 to us an individual share report for Green Automotive
2 Company as of -- so this is actually -- this doesn't
3 show transfers. It shows a snapshot as of February 18,
4 2014, for Green Automotive shareholders, and, of course,
5 the first is Mr. Comu. It also reflects the other
6 entities and their actual holds as of February.

7 THE COURT: Any elaboration on your
8 objection, Mr. Olson?

9 MR. OLSEN: No, Your Honor.

10 THE COURT: Overruled, 160 is admitted.
11 (KLM Exhibit 160, offered and admitted.)

12 MS. HANKS: And 161 is sort of a companion
13 to 160. This actually shows -- reflects transfer
14 report. This is a transfer report.

15 If you could, make that just a little bit
16 bigger, please.

17 So as of February 17, 2014, what it does is
18 it shows certificates that are being transferred --
19 canceled and transferred elsewhere, and it is one of the
20 ways that we connect The Barclay Group's activity to
21 particular entities and individuals and show where these
22 shares have been sent.

23 THE COURT: Mr. Olson, any elaboration on
24 your objection?

25 MR. OLSEN: No, ma'am.

1 THE COURT: 161, the objection is
2 overruled, it is admitted.

3 (KLM Exhibit 161, offered and admitted.)

4 MS. HANKS: Last, I believe, Your Honor is
5 337.

6 THE COURT: Okay.

7 MS. HANKS: I am taking a look at it right
8 now. Yes, 337, and if you will recall the visual, the
9 demonstrative that I have Mr. Sarokhanian used in his
10 opening statement, this is the Mercedes that Mr. Comu
11 drives but does not own. It is owned by Sunset Pacific,
12 and -- but this is, again, the Court will recall that
13 Mr. Comu disclosed a Mercedes that was allegedly owned
14 by Sunset Pacific in his schedules. Well, he has since
15 traded that -- he has since gotten a new Mercedes that
16 was purchased with funds from Marathon Management, Inc.,
17 which is an entity he owns and controls, and then he put
18 it in the name of Sunset Pacific again.

19 And so this is a pattern that he -- this is
20 what he does. He buys valuable assets with money held
21 in accounts by other entities. Then he puts them in the
22 name in Sunset Pacific so they are beyond the reach of
23 his creditors.

24 THE COURT: Mr. Olson, any elaboration on
25 your objection?

1 MR. OLSEN: Nothing additional.

2 THE COURT: Overruled. 337 is admitted.

3 (KLM Exhibit 337, offered and admitted.)

4 MS. HANKS: I believe that is all we have
5 on our list, Your Honor.

6 THE COURT: All right. Any other
7 housekeeping matters before we recess for the day? All
8 right. I will see you all at 9:30 in the morning then.
9 Thank you.

10 (Adjournment)

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CERTIFICATE

COUNTY OF LUBBOCK)
STATE OF TEXAS)

I, Cathy Sosebee, Certified Court Reporter in
and for the State of Texas, do hereby certify that the
foregoing pages contain a full, true and correct
transcript, to the best of my ability, of audio file
furnished by the United States Bankruptcy Court,
Northern District of Texas, Office of the Clerk.

Given under my hand this the 20th of October,
2014.

/s/Cathy Sosebee
CATHY SOSEBEE, CSR, No. 612
Expiration Date: 12/31/14
Cathy Sosebee & Associates
Firm Registration No. 49
P. O. Box 86
Lubbock, TX 79408
806 763-0036